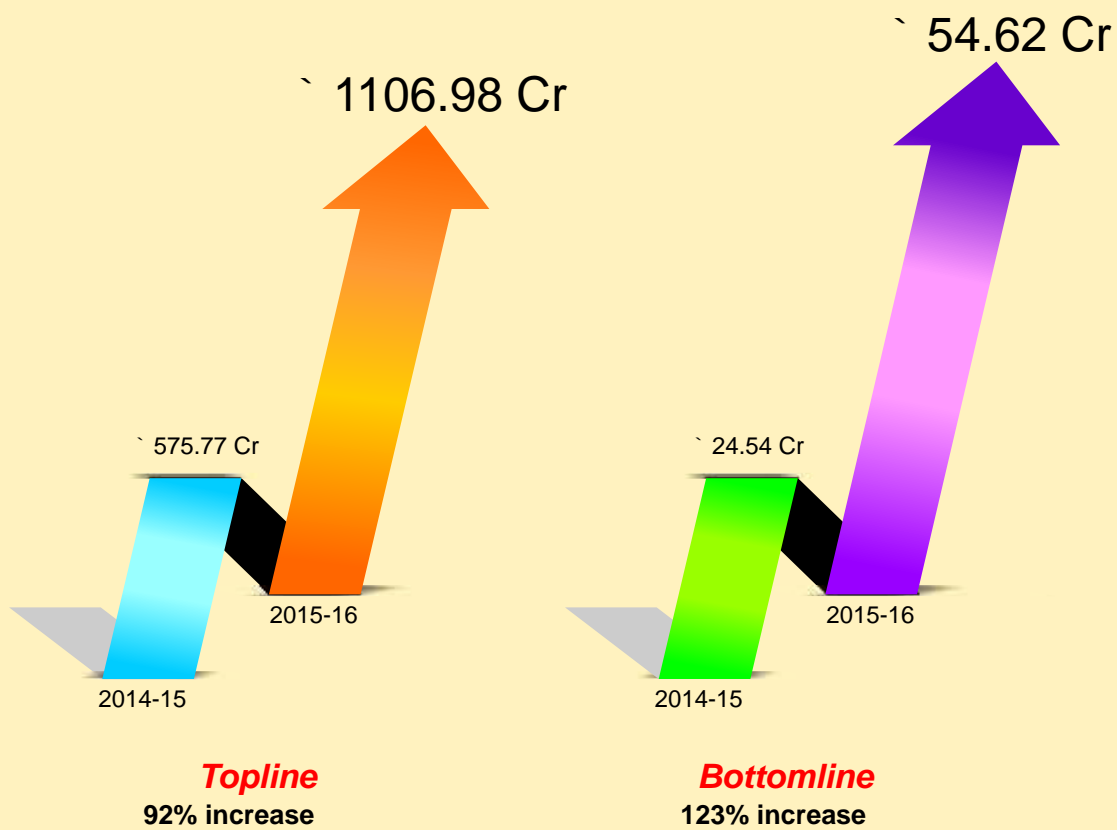


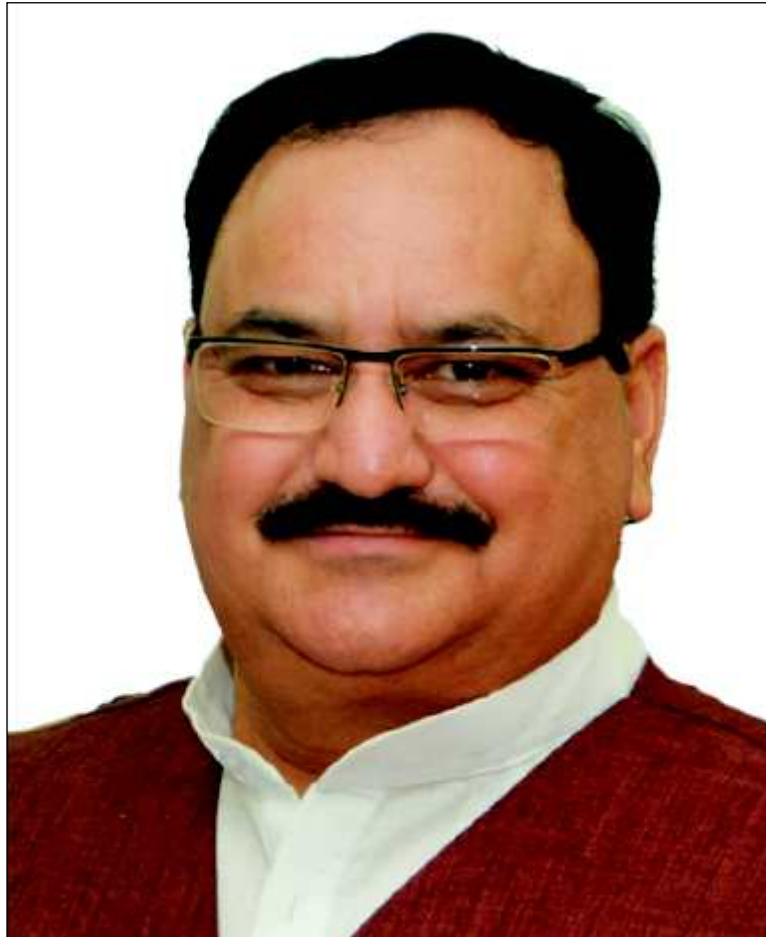
33rd
Annual Report
2015-16



DIVIDEND PAYING CEREMONY 2015-16



Shri Gyanesh Pandey, CMD, HSCC presented a dividend cheque amounting to Rs. 16.38 crore (being 683% of the paid up capital) to the Hon'ble Minister of Health and Family Welfare, Shri Jagat Prakash Nadda in the presence of Shri C. K. Mishra, Secretary Health and Family welfare on 29.11.2016. Shri K. B. Agarwal (AS, MOH & FW), Shri Arun Singhal (JS, MOH & FW), Shri Sudhir Kumar (JS, MOH & FW), Shri S. K. Jain (Director-Engg.), Shri S. C. Garg (CGM-Projects), Shri Saurabh Srivastava (CGM - F&A) and other officials of Ministry and HSCC were present on the occasion.



Shri Jagat Prakash Nadda

Hon'ble Union Minister
for
Health & Family Welfare



Shri Faggan Singh Kulaste

Hon'ble Minister of State
for
Health & Family Welfare



Smt. Anupriya Patel
Hon'ble Minister of State
for
Health & Family Welfare



Shri C. K. Mishra
Hon'ble Secretary
for
Health & Family Welfare

BOARD OF DIRECTORS



Shri Gyanesh Pandey
Chairman & Managing Director



Smt. Vijaya Srivastava
Additional Secretary & Financial Advisor
Ministry of Health & Family Welfare



Shri K.C. Samria
Joint Secretary
Ministry of Minority Affairs
Former JS, Ministry of Health & Family Welfare



Shri S. K. Jain
Director (Engineering)

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CHAIRMAN'S SPEECH



To Esteemed Shareholders,

On behalf of the Board of Directors of HSCC, it gives me immense pleasure to welcome all of you at this 33rd Annual General Meeting of your Company. I take this opportunity to extend sincere thanks to you for joining us today and your unstinted support, provided to the Company during the year.

The Director's Report and the Annual Audited Accounts for the year 2015-16 are already with you and with your permission I take them as read.

Review of Performance

As you would have seen in the Annual Report, during F.Y. 2015-16 we set new records with strong top line and bottom line growth and high quality earnings, reflecting the robustness of its Corporate Strategy of creating fast growth drivers. This performance is particularly remarkable when viewed against the backdrop of the extremely challenging business context in which it was achieved, namely, a slowdown in the economy and high levels of inflation.

I am glad to report that your Company has posted impressive performance for the year ended on 31st March 2016.

The Company recorded the highest ever Total Income, Consultancy Fees, Profit before Tax, Profit after Tax and Reserve & Surplus.

I am pleased to place before the shareholders that during Financial Year 2015-16, the Total Income has achieved at Rs. 1106.98 Crore as compared to Rs. 575.77 Crore in the previous year posting 92.26% growth. The Company earned Consultancy Fees of Rs. 97.78 Crore as compared to 42.28 Crore for previous year resulting 131.28% growth, which is higher than average service sector growth of 15% approx in India.

The Company posted pre-tax profit of Rs. 86.87 Crore as against Rs. 37.95 Crore during previous year. Thus company achieved 128.91% growth in pre-tax profits for the year 2015-16. The Company earned Net Profit of Rs. 54.62 Crore as compared to Rs. 24.54 Crore earned in previous year posting 122.58% growth. With your support, our company has outperformed excellently, consequently, HSCC has achieved the status of one of the fastest growing PSU in India.

I am pleased to inform you that Company has recommended 683% dividend on paid up capital amounting to Rs. 16.38 Crore out of Current year's profit for the year 2015-16. This is the 32nd consecutive year the company declared the dividend. Upon paying this year's dividend, cumulative dividend paid to Government of India would be Rs. 56.81 Crore around 24 times of current paid up equity capital of the Company.

Performance of Healthcare Sector

Future of Healthcare sector especially the hospital in India is very bright in comparison with the global trend. India is lagging much behind in terms of requirement of infrastructure for building, equipment, manpower and their training, which are also the areas to address for the company.

The hospital beds available in India per 1000 patients are approximately 0.9 against developed countries where per 1000 patients ratio is approximately 3 to 4. The increase in beds in India will lead to increase in overall infrastructure, including buildings, equipment and manpower.

The per capita expenditure on manpower of government on healthcare is also increasing wherein out of pocket expenditure has to reduce like other developed countries and thereby resulting into major addition to infrastructure On-going Projects.

The Company was awarded with highest ever work for providing consultancy services for Design & Engineering, Project and Procurement Management for various prestigious & challenging projects during the reported year from the MOH&FW, its institutes, State Governments and some of them against open bidding.

Key Major Projects secured in 2015-16

HSCC is an executing agency for Construction of 3 New AIIMS at Guntur, Kalyani & Nagpur.

HSCC is also appointed as an executing agency for PMSSY Ph III redevelopment work for 19 locations all over India.

Other works secured by HSCC in this financial year are:

- Three 100 intake Medical Colleges attached to District Hospital at Nahan, Hamirpur & Chamba.
- One 100 intakes Medical College at Pali, Rajasthan.
- Hospital Block for Pathology, Microbiology, Radiotherapy & Dermatology at the premises of Victoria Hospital, Bangalore, Karnataka.
- Construction of new 100- intake Medical College attached to Tomo Riba State Hospital, Naharlagun, Govt of Arunachal Pradesh.
- Construction of Medical College & Hospital (MIMER), Falkwan, Mizoram.

Awards and Recognition

HSCC has been widely acknowledged with following awards and recognition :-

- PSE Excellence Award – 2016 for best Corporate Governance.
- 'SKOCH-BSE Order of Merit Award' -2016.

- 'SKOCH-BSE Award for Technology Deployment' received from SKOCH-BSE at Bombay Stock Exchange, Mumbai -2016.
- Best PSU – Leadership Award from Chhattisgarh Government-2016.
- Best Leadership Award in Health Care Sector - 2016 In Elets Health Care Conclave.
- Special Jury Award in Knowledge Exchange Summit -2016 for HSCC's Outstanding Work in Redevelopment of Safdarjung Hospital and Up gradation of Existing Govt. Medical Institutions at 19 locations in India from the Dy. CM of Goa.
- Best PSU award for its outstanding work in rendering professional health care consultancy services in Digital India Knowledge Exchange Summit-2016.
- Special Recognition for Excellent digitalization work on various health care projects across the country in 6th Healthcare leaders' forum 2016, New Delhi.

Mini Ratna Status

During the year the HSCC has achieved the status of Mini Ratna-Category I Public Sector Undertaking with effect from 31.12.2015 from Mini Ratna-Category II PSU rated in 2002.

Top Management is striving to achieve sustained growth in turnover as well as in pre-tax profits continually through strategic interventions like cost-control, optimum utilization of resources and system improvements. The Company has achieved "Very Good" Rating under the Memorandum of Understanding (MOU) for the year 2014-15 signed with the Ministry of Health & Family Welfare as per guidelines of Department of Public Enterprises (DPE), Government of India.". Further, based on results, for the year 2015-16, the Company expects to get "Excellent" rating as per MOU evaluation.

Corporate Social Responsibility

The Company being in the field of Health Care, all its activities and operations are indirectly dedicated towards the social responsibility.

In F.Y. 2015-16, HSCC has contributed Rs. 60 Lac for 10 Cochlear Implant to Hearing Impaired Children with special needs through M/s Artificial Limb Manufacturing Corporation of India.(A Government of India Undertaking under the Ministry of Social Justice and Empowerment). HSCC has made contribution of Rs. 49.24 Lakh to "Clean Ganga Fund" for river development and rejuvenation of River Ganges. HSCC has also contributed Rs. 5 Lakh for construction of charitable dispensary building at Ramakrishna Math, Kolkata.

Change in Accounting Policies

In 2015-16, HSCC has brought change in its accounting policies. Revenue recognition is done for all Civil Projects i.e. recognition of value of work done and contract expenses in Profit & Loss Account of the company. Interest income on FDRs of client is recognized as Revenue of the company and interest paid to clients by crediting their accounts is shown in Expenditure side of Profit & Loss Account.

Global Business

Your Company has also been exploring business opportunities abroad through Ministry of External Affairs in the SAARC group of countries.

Growth Vision

To be a leading consulting company providing value-added, innovative and integrated services for enhancing healthcare in India and overseas, leveraging its core competence in other infrastructure projects and providing an invigorating and enabling work environment to its professional employees.

In order to develop into a world class Consultancy Organization, thrust is on diversifying and expanding the operations such as Building Engineering and maintenance services and also the client base of the Company.

Corporate Governance

The philosophy of the Company is to ensure transparency in its dealings and compliance of country's laws and regulations in order to promote ethical conduct of business. i.e. observing, transparency, integrity, professionalism, accountability and proper disclosure.

In F.Y 2015-16 the Audit Committee, Remuneration Committee and Corporate Social Responsibility (CSR) committee are reconstituted considering two nominee directors of the Company following the expiry of tenure of its independent directors.

Acknowledgment

In conclusion, On behalf of the Board of Directors and on my own behalf, I extend sincere thanks for the valuable guidance, support and cooperation extended to the Company by the Ministry of Health & Family Welfare, the Ministry of External Affairs and other stakeholders. I thank all our esteemed shareholders for their continued support, whose trust and confidence are pillars of strength in our entire endeavour.

I also place on record my sincere thanks to - the Ministry of Health & Family Welfare, the Ministry of External Affairs, the Ministry of Ayush, AIIMS, PGI Chandigarh, Govt. of Punjab & Haryana, Govt. of Kerala, Govt. of Himachal Pradesh, Govt. of Chhattisgarh, Govt. of Uttar Pradesh and other Business Associates for the continuous support and reposing confidence in us. The Company, as always, will remain focused on Customer Satisfaction.

I also like to thank the CAG, Statutory Auditors and Internal Auditors of the Company for their valuable co-operation.

I place on record the appreciation to the hard work, commitment and unstinting efforts put in by your Company's employees at all levels.

In return to your cooperation and support extended to me, I Promise to take your company to new and commanding heights.

Thanking you,

Sd/-
(Gyanesh Pandey)
Chairman and Managing Director

Place: - New Delhi
Dated: - 29.11.2016

VISION, MISSION, CORPORATE VALUE & CORPORATE QUALITY POLICY

VISION

“To be a leading consulting company providing value-added, innovative and integrated services for enhancing healthcare in India and overseas, leveraging its core competence in other infrastructure projects and providing an invigorating and enabling work environment to its professional employees.”

MISSION

“Providing comprehensive, concept to commissioning, project planning, architectural, engineering, project management, procurement and related consulting services for development of buildings and infrastructure for healthcare and other purposes in India and overseas.”

CORPORATE VALUES

- Focus on value addition to the customer
- Fostering Creativity and innovation within the organization
- Create a learning organization
- Team Spirit as the enabler for all our activities

CORPORATE QUALITY POLICY

To maintain leadership and customer confidence by providing continually improving quality consultancy services in the Healthcare and other Social Sectors.

SERVICE SPECTRUM

CONCEPTUAL STUDIES & MANAGEMENT CONSULTANCY

- Baseline Surveys & Economic Studies
- Epidemiological Survey
- Systems Planning
- Feasibility Studies
- Restructuring/Reorganization Studies
- Evaluation Studies

PROCUREMENT

- Drugs & Pharmaceuticals
- Medical Equipment
- Other Equipment
- Communication Systems
- Appliances
- Furniture & Fixture

PROJECT MANAGEMENT

- Project Planning including Selection of Contractors & award of work
- Project Monitoring
- Quality Control
- Construction Supervision
- Contract Administration
- Financial Control

INFORMATION TECHNOLOGY

- Health MIS
- System Integration

FACILITY DESIGN

- Conceptual Designs
- Basic Design
- Architectural Design/Plans
- Engineering Designs
- Equipment Planning
- Waste Management
- Design Coordination

ENGINEERING STUDIES

- Renovation/Rehabilitation
- Modernization/Up-gradation
- Expansion
- Productivity/Efficiency Improvement

LOGISTICS & INSTALLATION

- Transportation
- Clearing & Forwarding
- Site Delivery
- Installation
- Testing & Commissioning
- Training

NEW AREA (DIVERSIFICATION)

- **Engineering & maintenance of facilities**
- **Animal Vaccine Manufacturing Facilities**
- **Pharmaceutical Manufacturing Facilities**
- **Training of Overseas Medical Professionals**
- **Development of Bio-Technology R&D Institutes**
- **Projects in new development international markets**

NOTICE

No. HSCC/AGM/33rd/2016

Dated : 18.11.2016

Notice is hereby given that the **33rd ANNUAL GENERAL MEETING of the Members of the HSCC (INDIA) LIMITED** will be held at **12:00 Noon on Tuesday 29th day the November, 2016 in the Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi** to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31.03.16, the statement of Profit & Loss Account and Cash Flow Statement of the Company for the year ended as on that date, Report of Statutory Auditors thereon, comments of the Comptroller & Auditor General of India along with the Directors' Report.
2. To declare dividend for the Financial Year 2015-16.
3. Fixation of Statutory Audit & Tax Audit Fees

BY ORDER OF THE BOARD

Sd/-
(Ravindra Kumar Pathak)
DGM (F&A) & Co. Secy

To,

1. All Shareholders of the Company.
2. Board of Director of the Company.
3. Statutory Auditors of the Company.

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy, to attend and vote instead of himself/herself and a proxy need not be a Member of the Company.
2. M/s L.C. Kailash and Associates, Chartered Accountants, New Delhi is appointed as Statutory Auditors of the Company by Comptroller and Auditor General of India

PERFORMANCE AT A GLANCE

The company has yet again posted excellent results for the year ending 31.03.2016 with highest turnover of Rs. 110698 Lakhs and highest ever profit after tax of Rs.5462 lakhs

The Company incorporated in 1983 with the paid up capital of Rs. 40 lakhs and later on issued bonus shares of Rs. 200 lakhs out of Reserves & Surplus resulting in increase of paid up capital to Rs. 240 lakhs. The Net Worth has touched to Rs. 17422 Lakhs as on 31.03.2016.

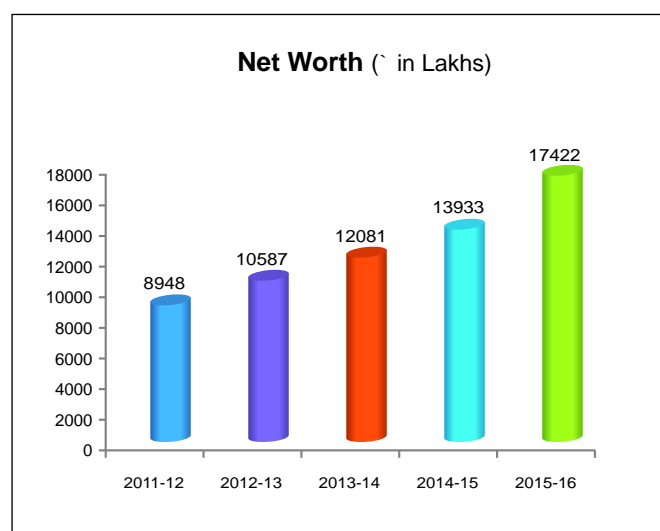
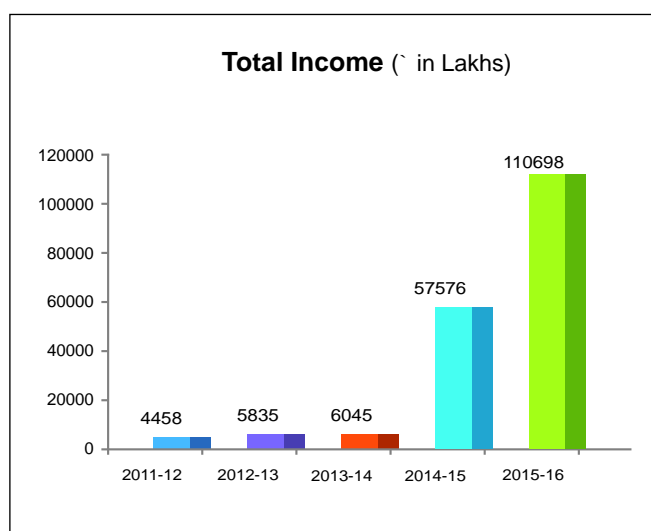
The objectives and strategies of HSCC are designed to significantly enhance Net Worth through business growth that drives higher revenue and profits as well as strong sustained free cash flow generation. In this way we will enhance company's value while at the same time maintaining a strong balance sheet and attractive dividend to shareholders.

We will continue to evolve as best service provider in healthcare sector with both quality and timing factor, offering distinctive and innovative services that delights our clients.

(` in Lakhs)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Income	4458	5835	6045	57576*	110698*
Profit Before Tax	2352	3600	3714	3795	8687
Net Profit	1472	2257	2398	2454	5462
Net Worth	8948	10587	12081	13933	17422
Dividend	300	468	492	492	1638
Total Order Book (Fee)	5904	24928	30089	10835	27933
Rating Against MOU	Excellent	Excellent	Excellent	Very Good	Excellent (Expected)

* Note: Revenue Recognition Policy for the financial year 2015-16 has been changed, however there is no change in profitability due to change in Accounting Policy.



33rd ANNUAL GENERAL MEETING (AGM)



The 33rd AGM of HSCC (India) Ltd was held on 29.11.2016. The AGM was attended by Shri C. K. Mishra, Secretary Health and Family Welfare, Shri Sudhir Kumar (JS, MOH&FW), Shri Arun Singhal (JS, MOH&FW), Shri Navdeep Rinwa (JS, MOH & FW), Shri Gyanesh Pandey, CMD (HSCC), Shri S. K. Jain (Director- Engg), Shri Saurabh Srivastava (CGM- F&A) and other senior officials were present.

FINANCIAL SUMMARY

THE DECADES FINANCIAL RESULTS AT A GLANCE

(Figures Rs. in Lakhs)

Particulars	06-07	07-08	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16
FINANCIAL PERFORMANCE										
Paid-up Capital	160	160	240	240	240	240	240	240	240	240
Reserve & Surplus	5111	5695	6341	6999	7632	8708	10347	11841	13693	17182
Net Worth	5271	5855	6581	7239	7872	8948	10587	12081	13933	17422
Net Fixed Assets	727	707	675	632	615	600	685	693	649	635
Working Capital	4455	5105	5811	6440	7117	8568	10200	12053	14165	17519
Capital employed	5271	5855	6581	7072	7731	9168	10885	12746	14814	18154
OPERATING STATISTICS										
Consultancy Fee/Turnover*	1678	1740	1936	2097	2311	2929	3380	3919	49004*	102180*
Interest & Other Income	845	1356	1337	1218	1034	1529	2455	2126	8572	8518
Total Income*	2523	3096	3273	3315	3346	4458	5835	6045	57576	110698
Expenditure	1224	1711	1696	2002	1993	2048	2203	2287	53782	101948
Gross Margin	1299	1385	1577	1385	1357	2409	3632	3758	3864	8750
Depreciation	45	45	44	39	36	58	32	44	69	63
Profit before Tax	1254	1340	1533	1346	1321	2352	3600	3714	3795	8687
Profit after Tax	798	836	970	859	834	1472	2257	2398	2454	5462
Provision for taxation	456	503	563	487	487	880	1343	1316	1341	3225
Dividend	208	208	208	173	173	300	468	492	492	1638
MANPOWER										
Employees (in Nos)	130	132	139	135	132	124	123	143	153	162
(On regular Pay Scales)										
RATIOS										
PBT/Total Income (%)	50	43	47	41	39	53	62	61	59	8
Net Profit/Total Income (%)	32	27	30	26	25	33	39	40	38	5
Net Profit/Net Worth (%)	15	14	15	12	11	16	21	20	18	31
Total Income Per Employee	19	23	24	25	25	36	47	42	42	683
Earning Per Share (EPS) (Rs.)	499	523	404	358	347	613	940	999	1022	2276
Book Value Per Share (Rs.)	3294	3659	2742	3016	3280	3728	4411	5034	5805	7259

* Note: Revenue Recognition Policy for the financial year 2015-16 has been changed, however there is no change in profitability due to change in Accounting Policy.

DIRECTORS' REPORT

To,

The Shareholders
HSCC (India) Limited

REGISTRATION AND OTHER DETAILS

i) CIN	:	U 74140 DL 1983 GOI 015459
ii) Registration Date	:	30.03.1983
iii) Name of the Company	:	HSCC (India) Limited.
iv) Category	:	Public Sector Undertaking
v) Registered Office	:	205, East End Plaza, Plot No. 4, D.D.A.-L.S.C., Centre-II, Vasundhra Enclave, Delhi – 110096
vi) Corporate Office	:	E-6(A), Sector-1, NOIDA- 201301
vii) Listed Company	:	No.

AUDITED STATEMENT OF ACCOUNTS

The Directors of your Company have the pleasure in presenting the 33rd Annual Report and the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2016.

FINANCIAL PERFORMANCE

The Financial Performance of the Company for the financial year 2015-16 along with the comparative figures of 2014-15 is indicated below:-

(` in Crores)

Particulars	2015-16	2014-15	Increase in 2015-16 (%)
Total Income	1106.98	575.77	92.26
Total Expenditure	1019.00	537.82	89.47
Gross Margin	87.98	37.95	131.83
Exceptional & Extraordinary items	1.11	0.00	100.00
Profit Before Tax	86.87	37.95	128.91
Taxation (net)	32.25	13.41	140.49
Profit After Tax	54.62	24.54	122.58
Dividend	16.38	4.92	232.93
Net Worth	174.22	139.33	25.04
Earnings per Share(Rs.)	2275.47	1022.44	122.55

Your Company has posted excellent performance for the year ended on 31st March 2016. Company's growth in terms of total income has increased by 92.26 % and Net profit by 122.58% over last year.

CAPITAL STRUCTURE

The Authorised and the Paid- Up Capital of the Company stood at Rs. 500 lakhs and Rs. 240.01 lakhs respectively during the year under review.

DIVIDEND

Considering the performance of the Company for the financial year 2015-16, The Board of Directors has recommended Dividend @ 682.64% of the Paid-up Equity Share Capital of the Company amounting to Rs.16.38 Crores. This is subject to the approval of Members at the Annual General Meeting. This works out to 30% of the Post Tax Profit, which is in line with the guidelines issued by Department of Economic affairs, Ministry of Finance. This is the 32nd consecutive year in which the Company has declared dividend and with this the cumulative dividend till 2015-16 to MOH&FW, Govt. of India would be Rs. 56.81 Crores.

APPROPRIATION TO GENERAL RESERVE

After making provisions for dividend the Board of Directors recommends transfer of Rs.200 lakhs (Previous Year Rs.200 lakhs) out of the Net Profit appearing in the Profit & Loss Account to the General Reserve. Cumulative Reserve & Surplus as on 31.3.2016 stands at Rs.171.82 Crores (Previous Year Rs.136.93 Crores).

FUNDS ON BEHALF OF MINISTRY/CLIENT

The funds on behalf of Ministry / Clients which has been considered under different heads of Current Assets & Current Liabilities are as under –

On behalf of Ministry / Clients –	As on 31.03.16	As on 31.03.15
A. Current Assets	Rs. In Crores	Rs. In Crores
- Cash & Cash Equivalents	1247.29	1012.50
- Short Term Loans & Advances	156.25	146.85
- Other Current Assets	277.12	20.01
	1680.66	1179.36
B. Current Liabilities		
- Other Current Liabilities	1680.66	1179.36

PERFORMANCE HIGHLIGHTS

The Company continued to maintain its progress in its activities and operations. All out efforts are being made to expand the area of operations of the Company. Further, services of a few Experts and Consultants are being utilized to avail higher degree of technical expertise in performing the various activities of the Company.

During the year 2015-16, HSCC was awarded the work of rendering Consultancy Services for Design & Engineering, Project Management and Procurement of Medical Equipments, Drugs & Pharmaceuticals, etc. for various prestigious & challenging projects.

During the year 2015-16, new Order Book (Fees) for MOH&FW and its institutes was Rs. 209.05 Crores, State Government and other Institutes was Rs. 50.81 Crores and through open tendering was Rs. 9.45 Crores.

A list of major on-going projects where HSCC is rendering Consultancy Services is placed at Annexure I as a addendum to Director's Report.

MEMORANDUM OF UNDERSTANDING

The Company has been signing MOU with the Ministry of Health & Family Welfare for more than a decade. The Company has been rated 'Very Good' by DPE for the year 2014-15 and expects to be rated "Excellent" based on the results for the year 2015-16.

FOREIGN EXCHANGE

(` in Crores)

	2015-16	2014-15
A. Expenditure		
- Travelling	0.10	0.06
- Import of Capital Goods on C.I.F. basis (On behalf of Clients)	27.40	9.13
B. Income	Nil	Nil

HUMAN RESOURCES

HSCC being the knowledge based Company, its real strength lies in its manpower. The manpower strength of the Company as on 31st March, 2016 was 162 on regular pay scales and 66 on fixed tenure basis including 50 SC/ST/OBC Category employees and physically 2 handicapped. The employee management relationship was excellent throughout the year. The company has maintained the level of minorities' employment in the organization. In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs (totaling to 229 man days) to further develop their skill in various areas of operations of the Company.

WELFARE ACTIVITIES

The Company continues to motivate the employees by providing various social benefits for the employees and their families.

Implementation and Promotion of Official Language

The Company continued to make efforts to fulfill the targets prescribed by the Govt. of India in the Official Language Act and Rules framed there in with regard to increase the use of Hindi Rajbhasha in office during the year 2015–16. Employees were motivated to use their working knowledge of Hindi in day-to-day official work. All the Standard Forms, Files, etc. are bilingual. Significant progress has been made in the field of correspondence, noting and drafting in Hindi. All Hindi letters are being replied in Hindi only. To popularize the use of Hindi, the company organized a Hindi Pakhwada from 13.09.2015 to 27.09.2015 during which various competitions based on knowledge of Official Language were organized. Besides, the company is also a member of the Town Official Language Implementation Committee, NOIDA under the Ministry of Home Affairs, Government of India and is also represented at various competitions, meeting, seminars etc.

Company's employees also attended the All India Hindi Conference and Workshop at Faridabad organized by Rashtrabhasha Swabhiman Trust from 24.10.2015 to 25.10.2015. During this conference, Shri Sharwan Kumar, Hindi Assistant-Cum-Translator was presented with Rajbhasha Gaurav Samman.

VIGILANCE

The Company being a Consultancy Organization, there is no separate Vigilance Unit in the Company. Shri R. K. Agarwal, DGM (Electrical) is acting as Vigilance Officer (VO) Part Time for a period of three years w.e.f 14.11.14. During the year, Vigilance Cell has functioned as an effective part of management. Annual reports, Quarterly Progress Reports, Private Foreign Visits, Monthly report and CTE reply were submitted to the respective agencies on time. CVC guidelines, received from time to time, were followed and adhered to as precautionary and preventive measure and inquiries are properly and promptly attended to. Existing systems and procedures were reviewed for further improvements and all out efforts were made to ensure transparency in the working of the Company. To maintain high moral standard of employees the Company observed Vigilance Awareness Week from 26th October, 2015 to 31st October, 2015. The pledge was administered to all the employees.

PARTICULARS OF EMPLOYEES

Particulars of Employees are required under Section 134 of Companies Act, 2013 read with Companies Particulars of Employees Rules, 1975, as amended from time to time. None of the employees of the company was in receipt of remuneration of more than Rs. 102 lakhs per annum or Rs. 8.5 lakhs per month.

CORPORATE GOVERNANCE

Corporate Governance practices in your Company focus on transparency, integrity, professionalism and accountability. The quarterly reports in the format prescribed by the Department of Public Enterprises (DPE), as per the guidelines on Corporate Governance, informing the status about Corporate Governance are being submitted to Ministry of Health & Family Welfare. As per guidelines on Corporate Governance issued by Department of Public Enterprises, a "Corporate Governance Report" and a "Management Discussion and Analysis Report" are placed at Annexure II and III respectively as a addendum to Director's Report.

BOARD OF DIRECTORS

((A) Directors nominated/appointed to hold office during and after the financial year:

Nil

(B) Directors who ceased to hold office during and after the financial year is as under:

Shri Debidas Datta Part time non official Director	from 02.01.2013 to 01.01.2016
Shri Anil.A.Masand Part time non official Director	from 02.01.2013 to 01.01.2016
Prof. Sushil Part time non official Director	from 02.01.2013 to 01.01.2016

(C) The following Directors are holding offices as on the date of the Report.

Shri Gyanesh Pandey CMD, HSCC	from 26.07.2012 onwards
Sh. S. K. Jain Director (Engg.)	from 16.04.2013 onwards
Shri K.C.Samria Joint Secretary, MOH&FW	from 05.08.2014 onwards
Smt. Vijaya Srivastava, AS & FA, MOH&FW	from 19.02.2015 onwards

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134 of the Companies Act, 2013, your Directors hereby reports as under:-

- That in preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- That the Accounting Policies adopted by the Company are consistently followed that are reasonable and prudent to give true and fair view of the state of affairs of the Company at the end of financial year and of the Profit or Loss of the Company for that period.
- That proper and sufficient care has been taken for maintenance of accounting records in accordance with the provisions of this Act for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- That the Annual Accounts have been prepared on a going concern basis.

- That the directors had devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE SOCIAL RESPONSIBILITY

During the year Company has spent Rs 1.14 Crores (including Rs. 0.40 crores for previous period) (previous year Rs 0.40 Crores) against the required amount to be spent on Corporate Social Responsibility (CSR) i.e. 2% average profit of last three financial years i.e. Rs.0.74. Crores (previous year Rs. 0.40 Crores) as per section 135 of the Companies Act, 2013.

The Company has Rs.1.07 Crores as reserve in the CSR Fund Account. The avenues to spend are being explored and be spent in subsequent year.

INTERNAL AUDITORS

M/s Prem Gupta & Co. Chartered Accountants, have been appointed as internal cum concurrent auditor for the Financial year 2016-17 at a fees of Rs. 2,85,000/- including conveyance plus Service Tax as applicable. This is their Third year of appointment.

AUDITORS

M/s L C Kailash and Associates., Chartered Accountants, New Delhi have been appointed by the Office of the Comptroller & Auditor General of India as Statutory Auditors of the Company for the financial year 2015-16. The remuneration fixed by the Company for them for the financial year 2015-16 is Rs. 4,50,000/- (Rupees Four Lakhs Fifty Thousand only) plus Service Tax as applicable. This is the First year of their appointment.

Management's replies to Comments in the Statutory Auditors' Report are enclosed at Annexure IV as addendum to Directors' Report.

The Comments of CAG along with Management replies are enclosed at Annexure V as addendum to Directors' Report.

The Secretarial Audit Report for the financial year ended on 31st March, 2016 by Company Secretary in practice M/s Praveen Rastogi & Co. is enclosed at Annexure at Annexure- VI as a addendum to Director's Report.

ACKNOWLEDGMENT

The Directors deeply appreciate and acknowledge the continued assistance, cooperation, active support and guidance received from Ministry of Health & Family Welfare, Ministry of External affairs and other Ministries and Government Departments. We are also thankful to our esteemed clients for reposing their confidence in the capability and professional competence of the Company.

The Directors are also grateful to the Department of Public Enterprise, the Comptroller & Auditor General of India, the Chairman and Members of the Audit Board, Statutory Auditors and Internal Auditors of the Company for their valued cooperation.

The Directors also place on record the continued support by Bankers, and many other organizations as well as individuals.

The Directors also places on record the appreciation for the untiring efforts and contributions made by the employees at all levels to ensure that the Company continues to grow and excel.

For and on behalf of the
Board of Directors

Sd/-

(Gyanesh Pandey)

Chairman & Managing Director

NEW DELHI

Dated: 19.09.2016

ANNEXURE - I

(Addendum to Directors' Report)

SUMMARY OF MAJOR ON-GOING PROJECTS

A. Architectural Planning, Design Engineering & Project Management Services

- Redevelopment of Safdarjung Hospital, New Delhi
- National Cancer Institute at AIIMS Jhajjar
- Redevelopment of RML Hospitals, New Delhi
- Redevelopment of Lady Harding Medical College & associated Hospitals, New Delhi
- Redevelopment of AIIMS, New Delhi
- AIIMS, Raipur
- AIIMS, Rishikesh
- AIIMS, Raebareilly
- AIIMS, Bhubaneswar.
- AIIMS, Guntur
- AIIMS, Kalyani
- AIIMS, Nagpur
- All India Institute of Ayurveda at Sarita Vihar, New Delhi.
- Upgradation of Nursing College – RAK, Delhi
- Expansion of Trauma Centre, AIIMS, New Delhi
- Kalpana Chawla Medical College, Karnal
- Satellite Unit of Post Graduate Institute of Medical & Educational Research at Sangrur (OPD & Main Work)
- Development of Cancer Hospital at Bathinda, Punjab
- Indian Institute of Integrative Medicine, Jammu
- NRHM-Chattisgarh, NRHM-Uttarpradesh, NRHM- Kerala & NRHM- Himachal Pradesh
- SSB-NIMHANS, Bangalore
- Mother & Child – Metro Block for Bangalore Metro Rail Corporation.
- National Institute of Animal Biotechnology, Hyderabad.
- Vaccine processing facilities for Institute of Veterinary Biological Products, Pune
- 750 Bedded Hospital (Phase I – 400 bedded) for IIT, Kharagpur
- PMSSY-SSB, Kolkata
- North Eastern Institute of Ayurveda & Homeopathy (NEIAH), Shillong, Meghalaya



Kalpana Chawla Medical College, Karnal



Emergency Block, Safdarjung Hospital, New Delhi

- Medical College & Hospital at Naharlagun, Arunachal Pradesh
- Medical College & Hospital at Nahan, Himachal Pradesh
- Medical College & Hospital at Hamirpur, Himachal Pradesh
- Medical College & Hospital at Chamba, Himachal Pradesh
- Regional Institute of Paramedic & Nursing Sciences (RIPANS), Aizwal.
- Upgradation of LGBRIMH at Tezpur
- Redevelopment of RIMS, Imphal
- PMSSY Upgradation Ph III Projects at
 - Rewa - Berhampur - Udaipur
 - Gwalior - Patiala - Bikaner
 - Jabalpur - Burla - Aurangabad
 - Vijayawada - Dibrugarh - Jhansi
 - Kota - Guwahati - Shimla
 - Allahabad - Latur - Panaji (Goa)
 - Darjeeling
- Mizoram Institute of Medical Education and Research, Falkawn, Mizoram.
- 100 intakes Medical College at Pali, Rajasthan.



SSB Block, Safdarjung Hospital, New Delhi

B. Procurement Management Services

- Medical Equipment for Super Speciality & Emergency Block, Safdurjung Hospital, New Delhi.
- Medical Equipment for Kalpana Chawala Government Medical College, Karnal, Haryana.
- Procurement of Equipment for AIIA Sarita Vihar
- Medical Equipment for NEIGRIHMS, Shillong
- Medical Equipments for Bir Hospital, Kathmandu, MEA
- Medical Equipments for Yangon & Sittway Myanmar

ANNEXURE - II

(Addendum to Directors' Report)

CORPORATE GOVERNANCE REPORT

COMPANY PHILOSOPHY

A good Corporate Governance Policy is one which results in the control of the company in a regulated manner which makes management transparent, ethical, accountable and fair resulting in enhanced shareholder value. The management provides a detailed disclosure of relevant specific matters.

A. COMPOSITION OF BOARD OF DIRECTORS INCLUDING CATEGORY AND DIRECTORSHIP IN OTHER COMPANIES

The Company's Board of Directors as on 31.03.16 has two functional directors and two part- time official directors. The details are given below:-

Director	Whole-Time/ Part- Time	Member of Board of other companies
Shri Gyanesh Pandey	Whole-time, Chairman and Managing Director	Nil
Shri. S.K.Jain	Director (Engineering)	NIL
Smt. Vijaya Srivastava	Part- time Official Director	HLL Life Care Limited HLL Biotech Limited
Shri K.C. Samria	Part-time Official Director	NIL

B. TENURE

The age limit of the Chairman and Managing Director and other whole-time Director is 60 years.

The Chairman and Managing Director and other Whole-time Director are appointed for a period of 5 years from the date of taking over the charge or until the date of superannuation of the incumbent or until further orders from the Government of India, whichever events occur earlier.

Government Nominee Directors representing the Ministry of Health & Family, Government of India retire from the Board on ceasing to be officials of the Ministry of Health & Family Welfare or until further order from the Govt. of India.

Part- time, Non Official Directors are appointed by the Government of India for tenure of three years.

C. BOARD MEETINGS

During April, 2015 to March, 2016 six meetings (138th to 143rd) of the Board of Directors were held with minimum one meeting in each quarter on 30.06.15, 27.08.15, 28.09.15, 29.10.15, 31.12.15 & 29.03.16.

Meetings and Attendance

Director	No. of Board Meetings held during their respective Tenure	Attended	Attended last Annual General Meeting
Shri Gyanesh Pandey	6	6	Yes
Smt. Vijaya Srivastava	6	5	Yes
Shri K.C.Samria	6	6	Yes
Shri S.K.Jain	6	6	Yes
Shri Debidas Datta	5	5	No
Shri Anil A. Masand	5	5	No
Prof. Sushil	5	4	No

D. GENERAL BODY MEETING

Annual General Meeting

The last three Annual General Meetings were held as under:-

Financial Year	Date	Time	Location
2014-15	02.11.2015	12:30 P.M	Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi.
2013-14	19.09.2014	12:30 P.M	Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi.
2012-13	31.07.2013	11:00 A.M	Committee Room No. 155, A Wing, First Floor at MOH&FW, Nirman Bhawan, New Delhi.

E. SHAREHOLDING PATTERN OF DIRECTORS

Shares held out of the total equity share capital of Rs. 2,40,01,800 (240018 Equity Shares of Rs. 100/- each)

Directors	No. of Shares of HSCC
Shri Gyanesh Pandey, Chairman and Managing Director	6
Shri K.C.Samria, JS MOH&FW	6
Smt.Vijaya Srivastava, AS & FA MOH&FW	NIL
Shri S.K.Jain, Director (Engineering)	6
Shri Debidas Datta, Part time non official Director	NIL
Shri Anil A. Masand, Part time non official Director	NIL
Prof. Sushil, Part time non official Director	NIL

Further, these shares are held on behalf of the President of India

F. SHAREHOLDERS' GRIEVANCE COMMITTEE

Being a wholly owned Government Company (Shares are not listed), the shares are held by the President of India or its nominees, as such the Company has not constituted a Shareholders' Grievance Committee.

G. AUDIT COMMITTEE

The Composition of the Audit Committee is as under:-

CA Anil A.Masand, Part Time non official Director	- Chairman
Sh. Debidas Datta, Part Time non official Director	- Member
Prof. Sushil, Part Time non official Director	- Member
CA A.K.Aggarwal, Executive Director	- Member
CA Ravindra Kr.Pathak, DGM – (F&A) & Co.Secy	- Secretary to Committee

During April, 2015 to March, 2016 three meetings (8th to 10th) of the Audit Committee meeting were held on 30.06.15, 28.08.15, 30.12.15 at the HSCC Corporate Office, E 6A, Sector 1, NOIDA.

The tenure of CA Anil A.Masand, Part Time non official Director (Chairman), Sh. Debidas Datta, Part Time non official Director (Member) and Prof. Sushil, Part Time non official Director (Member) expired on 01.01.2016.

Audit Committee was reconstituted in 143rd Board Meeting held on 29.03.2016. The new members of the Audit Committee are:

- | | |
|--|---------------|
| 1. Ms. Vijaya Srivastava (AS&FA, MOH&FW) | - Chairperson |
| 2. Sh. K.C. Samria (Joint Secretary, MoH&FW) | - Member |
| 3. Sh. S.K.Jain (Director-Engg., HSCC) | - Member |

MEETINGS AND ATTENDANCE

Members	No. of Audit Meetings held during their respective Tenure	Attended
CA Anil.A. Masand	3	3
Sh. Debidas Datta	3	3
Prof. Sushil	3	3
CA A.K. Aggarwal	3	2

H. CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY COMMITTEE

The Composition of the Corporate Social Responsibility Committee is as under:-

- | | |
|--|--------------------------|
| Prof. Sushil, Part Time non official Director | - Chairman |
| CA Anil A. Masand, Part Time non official Director | - Member |
| Sh. Debidas Datta, Part Time non official Director | - Member |
| CA A.K. Aggarwal, Executive Director | - Member |
| CA. Ravindra Kr. Pathak DGM (F&A) & Co. Secy | - Secretary to Committee |

During April, 2015 to March, 2016 one meeting of the Corporate Social Responsibility Committee meeting was held on 28.10.15 at the Corporate Office HSCC, E 6A, Sector 1, NOIDA.

The tenure of CA Anil A. Masand, Part Time non official Director (Chairman), Sh. Debidas Datta Part Time non official Director (Member) and Prof. Sushil, Part Time non official Director (Member) expired on 01.01.2016. CSR Committee was reconstituted in 143rd Board Meeting held on 29.03.2016.

The new members of the CSR Committee are:

- | | |
|--|---------------|
| 1. Ms. Vijaya Srivastava (AS&FA, MOH&FW) | - Chairperson |
| 2. Sh. K.C. Samria (Joint Secretary, MoH&FW) | - Member |
| 3. Sh. S.K.Jain (Director-Engg., HSCC) | - Member |

MEETINGS AND ATTENDANCE

Members	No. of Corporate Social Responsibility Meetings held during their respective Tenure	Attended
Prof. Sushil	1	1
CA Anil.A. Masand	1	1
Shri Debidas Datta	1	1
CA A. K. Aggarwal	1	1

REMUNERATION COMMITTEE

The Composition of the Remuneration Committee is as under:-

Shri Debidas Datta, Part Time non official Director	- Chairman
Prof. Sushil, Part Time non official Director	- Member
CA Anil A. Masand, Part Time non official Director	- Member
CA A.K. Aggarwal, Executive Director	- Member
CA Ravindra Kr. Pathak DGM (F&A) & Co. Secy	- Secretary to Committee

During April 2015 to March 2016 one Remuneration committee meeting was held on 28.10.15 at the Corporate Office HSCC, E 6A, Sector 1, NOIDA.

MEETINGS AND ATTENDANCE

Members	No. of Remuneration Committee Meetings held during their respective Tenure	Attended
Sh. Debidas Datta	1	1
CA Anil A. Masand	1	1
Prof. Sushil	1	1
CA A. K. Aggarwal	1	1

The tenure of Prof. Sushil, Part Time non official Director (Chairman), Sh. Debidas Datta Part Time non official Director (Member) and CA Anil A. Masand, Part Time non official Director (Member) expired on 01.01.2016. The Remuneration Committee was reconstituted in 143rd Board Meeting held on 29.03.2016. The new members of the Remuneration Committee are:

- Ms. Vijaya Srivastava (AS&FA, MOH&FW) - Chairperson;
- Sh. K.C. Samria (Joint Secretary, MoH&FW) - Member

INDEPENDENT DIRECTORS COMMITTEE MEETING

The Composition of the Independent Directors Committee is as under:-

Shri Debidas Datta, Part Time non official Director	- Chairman
Prof. Sushil, Part Time non official Director	- Member
CA Anil A. Masand, Part Time non official Director	- Member
CA. Ravindra Kr. Pathak DGM (F&A) & Co. Secy	- Secretary to Committee

During April 2015 to March 2016 one Independent Directors committee meeting was held on 30.06.15 at the corporate Office HSCC, E 6A, Sector 1, NOIDA

MEETINGS AND ATTENDANCE

Members	No. of Independent Directors Meetings held during their respective Tenure	Attended
Sh. Debidas Datta	1	1
CA Anil. A. Masand	1	1
Prof. Sushil	1	1

I. REMUNERATION OF DIRECTORS

Being a Government Company, the functional directors including CMD are appointed by the President of India through the Ministry of Health & family Welfare and draw remuneration as per Industrial Dearness Allowance (IDA) pay scales pre- determined by the Government and as per the terms and conditions of their appointment / contract issued by the Government. The allowances and perquisites including performance related pay are being given as per the Company Rules.

The part-time official directors on the Board do not draw any remuneration from the Company for their role as a director but draw their remuneration from the Government as Government official.

The part-time non-official directors of the Company also do not draw any remuneration from the Company. They were only paid sitting fee of Rs. 5000/- per meeting attended by them from April'2015 onwards in accordance with the approval of the Board of Directors.

During the year Sitting Fee has been paid to Non-official Part time Directors are as under:

- | | |
|-----------------------|-------------|
| 1. Shri Anil A Masand | Rs.60,000/- |
| 2. Shri Debidas Datta | Rs.60,000/- |
| 3. Prof. Sushil | Rs.50000/- |

J. DISCLOSURES

During the period there were no materially significant related party transactions with its directors & management that had a potential conflict with the interest of the Company at large. Further, the Company does not have any subsidiary company.

ANNEXURE - III

(Addendum to Directors' Report)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE & DEVELOPMENTS

HSCC is a Government of India Enterprise under administrative control of the Ministry of Health & Family Welfare which was set-up in March, 1983. The share capital of the company is Rs. 240 lakhs. and net worth is Rs. 17422 lakhs. Since inception the total business of the Company has been managed without any borrowings either from the Government or from other sources. HSCC has been declared 'Mini Ratna' Company in September, 1999.

The Company is engaged in rendering comprehensive consultancy services in the field of hospital planning, design, detail engineering, quality control, project management and monitoring as well as procurement, supply, installation and commissioning of medical equipments for the projects assigned to it by the Ministry of Health & Family Welfare, the Ministry of External Affairs, Private & Public Sector Organizations as well as various State Governments.

HSCC has adopted an integrated approach to projects, drawing on its pool of expertise to provide the best combination to evolve client specific, cost effective and innovative solutions. HSCC has successfully completed major healthcare projects comprising hospital, medical colleges, laboratories etc. not only in India but in many countries. The Company has also diversified its activities in the areas of Hospital Waste Management, Hospital Computerisation, health related Management studies and training & recruitment etc.

HSCC has over the years evolved as a pioneer organization in the field of Healthcare consultancy. The company at present is executing work all over India but its focus increased towards business in North-Eastern Region.

Strength:

- Debt free & Profit making Company since inception
- GOI backing and support
- Wide range of consulting services under single roof
- Extensive experience of handling multi lateral / international agencies funded projects
- Strong project experience, with ability in handling complex and large projects,
- Performing organization through quality and timely completion of projects
- Qualified and committed and lean and thin work force

Weakness:

- Difficult to compete with private players.
- Inability to stem attrition
- Most business is generated from clients in the public sector
- Revenue model is based on one-time projects rather than recurring services generating constant revenue streams or assured business support
- Limited no. of specialized Vendors / Agencies

Opportunities:

- The Country is lagging behind in terms of number of hospitals, beds, doctors, nurses and other paramedical staff
- Redevelopment & up gradation of existing hospitals
- Expansion of business in SAARC Countries
- Scope of diversification in other Building Engineering and Maintenance services.
- Demand for basic healthcare infrastructure (in both public and private sectors) set to rise.
- Handholding Opportunities for hospitals and outsourcing of hospital activities in government hospitals
- Leveraging basic architectural, design, engineering, project management and procurement skills in like infrastructure development activities

Threats:

- Business Projects shifting to North East with longer gestation / completion period, unavailability of timely funds leading to spread of turnover over longer time.
- Attrition of experienced personnel in view of burgeoning private sector operations.
- MOH&FW policy shift from supporting their PSUs and inviting private sector as an alternative source of consulting services.
- Fragmented market with a large no. of private sector and public sector competitors extreme low fee
- Increasing commoditization of basic D&E skills due to large number of players gaining experience due to the infrastructure boom
- Non availability of land causes halt in projects, reasons beyond control
- Competition among PSU firms for nomination for projects and non related diversification by them causes business loss
- Decrease in Fee for procurement projects and lack large assignments leading loss in business propositions in micro small assignments.

Outlook:

HSCC is a multi-disciplinary renowned consultancy and procurement management service organization in the health care and other social infrastructure development sectors. Its service spectrum covers feasibility studies, design engineering, detailed tender documentation, construction supervision, comprehensive project management, procurement support services in all areas of civil, electrical, mechanical, information technology and auxiliary medical service areas. Its important clients include

- Ministry of Health & Family Welfare and its Hospitals / Institutes
- Ministry of External Affairs and other Ministries
- State Governments and their Hospitals / Institutes
- PSUs / Other Institutes

In order to develop into a world class Consultancy Organisation, thrust is on diversifying and expanding the operations such as Building Engineering and maintenance services and also the client base of the Company.

Risks & Concerns

The main risk and the area of concern for the Company are reduction in procurement assignments from concerned Ministry and constant/reduced consultancy fee in some of civil works in current scenario.

IT related initiatives

- Internet connection has been installed at Corporate Office and the Units.
- Various departments at Corporate Office are linked up through Local Area Network (LAN).
- E-Tender Activity.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The total earning of the company was Rs. 1106.98 Crore including Other Income of Rs. 85.18 Crore as compared to the previous year's figure of Rs. 575.77 Crore and Rs. 85.72 Crore respectively. The company's Profit before Tax during the year was Rs. 86.87 Crore as compared to the previous year figure of Rs. 37.95 Crore .

Cost of operation has increased by 38.49% as compared to the previous year. The increase in the expenditure is mainly due to increased employee cost and provision for doubtful debts.

SEGMENT REPORTING

a) Business segments

Based on the guiding principles given in Accounting Standard AS-17 “Segment Reporting” the company's business segments include construction activities, consultancy, supply of equipment, medicine etc. Hence, all its operation falls under single segment within the meaning of Accounting Standard AS-17 “Segment Reporting”.

b) Geographical segments

Since the Company's activities are primarily within the country and considering the nature of product/services it deals in, operating risks and returns are same and as such there is only one geographical segment.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The company has an efficient system of internal control for achieving the business objectives of the company which inter-alia includes accuracy and promptness of financial reporting. Efficiency of operation, compliance with the laid down policies and procedures and with law and regulations.

To ensure independence to the internal audit function emphasizing transparency in the systems and internal controls, the internal audit of the company is entrusted to external firms of Chartered Accountants. The reports of Internal Audit are periodically submitted to the management for corrective action.

HUMAN RESOURCES DEVELOPMENTS

HSCC being the knowledge based Company, its real strength lies in its manpower. The manpower strength of the Company as on 31st March, 2016 was 162 on regular pay scales and 66 on fixed tenure basis. The employee management relationship was excellent throughout the year. In line with changing market requirements, the knowledge and skill of HSCC employees are continuously upgraded. During the year employees of the Company were deputed to various training programs, to further develop their skills in various areas of operations of the Company. The Company continues to motivate the employees by providing various social benefits for the employees and their families.

CODE OF CONDUCT

The company's Board has laid down a code of conduct for all the Board Members and Senior Management of the Company which has been circulated to all concerned executives through e mail as well as by circulated through hard copies. All Board Members and designated Senior Management Personnel have affirmed the compliance of code of conduct.

SUBMISSION OF QUARTERLY REPORT TO DEPTT. OF PUBLIC ENTERPRISES

The quarterly reports in the format prescribed by the Department of Public Enterprises (DPE), as per the Guidelines on Corporate Governance, informing the status about Corporate Governance are being submitted to the Ministry of Health & Family Welfare.

CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY

In line with the Section 135 and Schedule VII of the Companies Act 2013, the Company has contributed during the financial year 2015-16, Rs. 60.00 Lakhs (Rupees Sixty Lakhs only) towards 10 Cochlear Implant through M/s ALIMCO, Rs. 49.24 Lakhs (Rupees Forty Nine lakhs Twenty Four Thousand only) towards Contribution to “Clean Ganga Fund” set up by the Central Government for rejuvenation of River Ganga under Swachh Bharat Kosh and Rs. 5.00 Lakhs (Rupees Five Lakhs only) towards Constructing a Charitable Dispensary Building at Ramakrishna Math (Yogodyan), Kankurgacchi, Kolkata.

ANNEXURE - IV

(Addendum to Directors' Report)

REPLIES TO COMMENTS IN STATUTORY AUDITORS' REPORT

Opinion

- (a) (i) Note no.20(I)(g) regarding acceptance by the company of joint moral responsibility with the client for the reported lapses in one of the projects (CRI, kasauli) and to bear half of the assessed cost (infructuous expenditure on construction). There had not been further development during the year on this issue and the amount of liability, if any, has not yet been ascertained and provided for in the books of account.

Reply- Disclosed in Note no 20(I)(g), which is self-explanatory

- (ii) Note no. 20(I)(h) regarding deposit by the company Rs.1704.77 lakhs, out of the deposit from other projects of MOH&FW. In view of pending settlement with MOH & FW no provision for the same has been made in the books of account.

Reply- Disclosed in Note no 20(I)(h), which is self-explanatory

- (iii) Note no. 20 (VI) regarding Trade Payable, Lease Deposits, Sundry Debtors, EMD and Security Deposits given by the company and various other balances on behalf of the ministries / clients are subject to reconciliation and confirmation.

Reply- Disclosed in Note no 20 (VI), which is self-explanatory

- (iv) During the financial year 2014-15, the company got an FDR made for Rs. 4,92,03,690/- out of dividend account opened with Indian Overseas Bank for encashment of dividend warrant (dividend Cheque) for the year 2013-14. On the said FDR, the company earned interest income of Rs. 1,41,169/- during the intervening period from the date of FDR till the Dividend warrant was presented in the bank which is in contravention of the payment of Dividend Rules.

Reply-The matter is related to Financial Year 2013-14, whose accounts are already audited with no observation on it. However as pointed by the auditor this year, the certificate from qualified practicing company secretary is obtained for compliance of payment of dividend Rules (the copy of certificate is attached).

- (v) Note no. 20 (VIII) regarding old credit balances of Rs. 1387.81 lakhs (previous year Rs. 939.55 lacs) are lying unpaid / unadjusted in the deposit accounts of the clients for more than 4 years.

Reply-Disclosed in Note no 20(VIII), which is self-explanatory

- (vi) The amount of unclaimed balances of trade payable are not ascertainable on client's works and the outcome of liability, if any, is not known.

The impact of the above qualifications, in view of uncertainties, in Profit, Assets and Liabilities of the company is presently not quantifiable.

Reply –Noted for compliance (To be dealt as per terms & conditions of the agreement)

- (b) (i) The company is maintaining project financials of 132 projects being undertaken by it on behalf of Ministry / Clients. These financials are incorporated in the books of the company as assets and liabilities and shown separately as "on behalf of Ministry / Clients" Account. The Bank accounts and Fixed Deposits maintained with the bank on behalf of Ministry / Clients are not being monitored by the company on regular basis and accounting of interest and Fixed Deposits is being made by the company based on data / statement provided by the respective banks at the year end.

Reply –Noted for further compliance

- (ii) Other than the above projects undertaken on behalf of Ministry / Clients, the company is also providing services to other old clients for which no separate financials have been maintained. In absence of details of funds deposited by the client and Statement of Expenditure of these client accounts, interest income on such funds is also taken as income of the company (amount not ascertained) which is in addition to the income as referred to in Note no. 20 (XXIV) amounting to Rs. 1038.88 lakhs (previous year 1098.32 lakhs) and Para (a) (iii) Basis for Qualified Opinion Para above.

The impact of deficiencies if any existing in the bank accounts, Fixed Deposits, Accrued Interest and Tax Deducted at Source in Ministry / Client accounts and Financials of the Company, in absence of adequate internal control as referred to in annexure "1" Para (IV) (c) of this report is not ascertainable.

Reply-Noted for Further compliance/ Disclosed in Note no 20 (XXIV), which is self-explanatory

Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements:-

- (a) Note no:- XXIII to the financial statements regarding change in accounting policy for recognition of operating revenue for all civil projects and accounting of expenditure incurred thereon .

Reply-Disclosed in Note no 20(XXIII), which is self-explanatory.

- (b) Note no:- XXIV to the financial statements regarding accounting for recognition of interest earned on FDRs made out of deposits received from the clients (Corpus) as per approval of Board of Directors and accounting of interest paid to the clients as expenditure.

Reply-Disclosed in Note no 20(XXIV), which is self-explanatory

- (c) The company has paid Rs.3.13 lakhs during the year towards LTC reimbursement. However, the actuarial valuation of the same as on 31.03.2016 has not been obtained by the company.

Reply-Noted for further study in the matter.

- (d) Internal Financial control over financial statements (Refer Auditors Report Point No (b) (i) is weak and needs to be strengthened.

Reply-Noted for further strengthening of the system

Para VI of Annexure 1

- (a) There have been generally delays in submission of R.A and final bills by the contractors for projects managed by the company on behalf of the clients. This results in delay in accounting of Income as well as service tax liability as per Service tax Act.

Reply-Noted for compliance, the contractors are further instructed to submit the RA & Final bills in time to avoid any delay.

- (b) Business Risk Assessment procedures and financial controls Review procedures have not been set up for self-assessment of risks, operating controls and compliance with Corporate Policies.

Reply-The Company has framed risk assessment policy, however the point is noted for further compliance.

- (c) The company is having system of accounting of fixed deposits and interest thereon however a real time system of analyzing Fixed Deposit Accounts, date of Maturity, Verification of interest credited by the banks needs to be further strengthened.

Reply-Noted for further study in the matter

According to the records of the company and information and explanation given to us there are no dues of sales tax or wealth tax or duty of customs or duty of excise or value added tax or cess which has not been deposited on the account of dispute with appropriate authorities. However, Income Tax which has not been deposited on account of dispute is as under.

Name of the the Dues	Nature of the dues	Amount Rs Lacs	Period to which Relates	Forum where dispute is pending
Service Tax	Service Tax	5.29 plus equivalent amount of penalty and interest	Oct 2009 – Sep-2010	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax (Cenvat Credit)	10.05 plus interest	April 2010- March 2012	Commissioner of Central Excise (Appeals)
Income Tax Act	Income Tax	1452.00 Lacs	AY 2012-13	CIT (Appeals)

Reply-Disclosed in note no 20 I (e), which is self –explanatory.

ANNEXURE - V

(Addendum to Directors' Report)



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Office of the Principal Director of Commercial
Audit & Ex-officio Member, Audit Board-IV, New Delhi

Confidential

No. 422-PDCA/MAB-IV/HS/A/csHSCC/16-17/307

Dated:-18.11.2016

To,

The Chairman & Managing Director,
Hospital Services Consultancy Corporation Limited,
E-6 (A), Sector-1,
Noida (U.P.) - 201301.

Subject :- Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act,2013 on the financial statement of Hospital Services Consultancy Corporation Limited for the year ended 31st March, 2016.

Sir,

I am to enclose herewith the Comments of the Comptroller & Auditor General of India under Section 143 (6)(b) of the Companies Act,2013 on the financial statement of **Hospital Services Consultancy Corporation Limited** for the year ended 31st March, 2016.

The receipt of the letter may kindly be acknowledged.

Yours faithfully,

sd/-

(Dr. Ashutosh Sharma)

Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board-IV

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8th & 9th Floor Annexe Building, 10, Bahadur Shah Zafar Marg, New Delhi - 110002
Tel./nijHkk" : 23239413, 23239415, 23239419, 23239420, Fax/QDI : 23239416
bŷy/Email : mabNewdelhi4@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HSCC (INDIA) LIMITED FOR THE YEAR ENDED 31ST MARCH, 2016.

The preparation of financial statements of **HSCC (India) Limited** for the year ended 31st March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor/Auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated **19th September, 2016**.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6) (a) of the Act of the financial statements of **HSCC (India) Limited** for the year ended 31st March, 2016. The supplementary audit has been carried out independently without access to the papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. COMMENTS ON PROFITABILITY

Statement of Profit and Loss

Other Income : Rs.85,17,64,163.00 (Note No.17)

Interest on deposits (Govt. fund): Rs.72,94,66,001.00

As per the clause 3.1 C(a) terms and conditions of the agreement between client (AIIMS) and the Company (HSCC) "Client shall further make a revolving fund with HSCC as interest free advance of 10% of awarded value".

- (a) However, the Company did not adhere to above clause as follows:
- (i) In the year 2014-15, an amount of Rs.0.84 crore was booked as interest income earned on the funds received from the client (AIIMS), which is refundable to the client. The Company has not made any provisions in respect of overbooked interest in the financial year 2015-16. This resulted in understatement of Provisions and consequential overstatement of Profit by Rs.0.84 crore.
 - (ii) In 2015-16 the head 'other income' includes Rs.0.76 crore as interest income on the fund received from the client (AIIMS). This has resulted in overstatement of other income and profit by Rs.0.76 crore and understatement of current liabilities by the same amount.
- (b) The Company has credited 90 percent of interest of Rs.6.88 crore to the client (AIIMS) account which was incorrectly presented in note no.20(IV) of notes forming part of the financial statement.

B. COMMENTS ON FINANCIAL POSITION

Balance Sheet

Current Assets Rs.19,34,44,14,458.00

Cash & Cash Equivalent Rs.12,47,29,37,549.00 (Note No.14)

The above includes Rs. 0.32 crore interest accrued but not due on fixed deposits which should have been shown under the other current assets. Thus, this has resulted into overstatement of 'Cash and Cash Equivalents' and understatement of 'Other Current Assets' by Rs. 0.32 crore.

C. COMMENTS ON DISCLOSURE

As per para 66 of Accounting Standard – 29 Provisions, Contingent liabilities and Contingent Assets “For each class of provision, an enterprise should disclose:

- (i) The carrying amount at the beginning and end of the period;
- (ii) Additional provisions made in the period, including increases to existing provisions;
- (iii) Amounts used (i.e. incurred and charged against the provision) during the period; and
- (iv) Unused amounts reversed during the period.”

The above disclosure was not made by the Company.

For and on the behalf of the
Comptroller & Auditor General of India

sd/-
(Dr. Ashutosh Sharma)
Principal Director of Commercial Audit &
Ex-Officio Member, Audit Board - IV

Place : New Delhi
Date : 18.11.2016

Comments of the Comptroller & Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 and Management Replies thereto on the accounts of HSCC (India) Limited for the Financial year 2015-16.

Para No.	Provisional Comments	Management's reply
A.	<p>COMMENTS ON PROFITABILITY Statement of Profit and Loss Other Income: Rs.85,17,64,163/- (Note No.17) Interest on deposits (Govt. Fund): Rs. 72,94,66,001.00 As per the clause 3.1 C (a) terms and conditions of the agreement between client (AIIMS) and the Company (HSCC) "Client shall further make a revolving fund with HSCC as interest free advance of 10% of awarded value".</p> <p>(a) However, the Company did not adhere to above clause as follows:</p> <p>(i) In the year 2014-15, an amount of Rs.0.84 crore was booked as interest income earned on the funds received from the client (AIIMS), which is refundable to the client. The Company has not made any provisions in respect of overbooked interest in the financial year 2015-16. This resulted in understatement of Provisions and consequential overstatement of Profit by Rs. 0.84 crore.</p> <p>(ii) In 2015-16 the head 'other income' includes Rs.0.76 crore as interest income on the fund received from the client (AIIMS). This has resulted in overstatement of other income and profit by Rs. 0.76 crore and understatement of current liabilities by the same amount.</p> <p>(b) The Company has credited 90 percent of interest of Rs.6.88 crore to the client (AIIMS) account which was incorrectly presented in note no.20 (IV) of notes forming part of the financial statement.</p>	<p>Interest was booked in HSCC books in line with contract with client.</p> <p>Interest was booked in HSCC books in line with contract with client.</p> <p>The Company has credited 90 percent of interest of Rs.6.88 crore to the client. Inadvertently the same was ignored in the note no. 20 (IV). However, it has no financial impact on accounts.</p>
B.	<p>COMMENTS ON FINANCIAL POSITION Balance Sheet Current Assets - Rs. 19,34,44,14,458.00 Cash & Cash Equivalent – Rs. 12,47,29,37,549/- (Note No.14) The above includes Rs.0.32 crore interest accrued but not due on fixed deposits which should have been shown under the other current assets. Thus, this has resulted into overstatement of 'Cash and Cash Equivalents' and understatement of "Other Current Assets" by Rs. 0.32 Crore.</p>	<p>Inadvertently accrued interest of Rs.0.32 crores was clubbed with cash and cash equivalent. However, it has no impact on profit of the company.</p>
C.	<p>COMMENTS ON DISCLOSURE As per para 66 of Accounting Standard – 29 Provisions, Contingent liabilities and Contingent Assets "For each class of provision, an enterprise should disclose:</p> <p>a) The carrying amount at the beginning and end of the period. b) Additional provisions made in the period, including increases to existing provisions; c) Amounts used (i.e. incurred and charged against the provision) during the period; and d) Unused amounts reversed during the period:"</p>	<p>This is a disclosure, noted for future compliance. However, it has no financial impact on accounts.</p>

ANNEXURE - VI

(Addendum to Directors' Report)

Secretarial Audit Report for the financial year ended

31st March, 2016

HSCC (INDIA) LIMITED

CIN: U74140DL1983GOI015459

Authorised Capital: Rs. 5, 00, 00,000/-

Paid up Capital: Rs. 2, 40, 01,800/-

To,

The Members,

HSCC (INDIA) LIMITED

(A Government of India Enterprise)

We have examined the registers, records, books and papers of M/s. HSCC (India) Limited as required to be maintained under the Companies Act, 2013, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended as on 31st March, 2016. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company and its officers, we certify that in respect of the aforesaid financial year:

- As per information & explanations provided to us the Company has kept and maintained the registers as stated below, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.

S.No.	Registers as maintained by the Company	U/s	Remarks
1.	Register of Members etc.	88	Upto Date
2.	Registers of Returns	94	Upto date
3.	Minutes Book of Meetings	118	Upto date
4.	Books of Accounts	128	Upto date
5.	Register of Transfers	56	Upto date
6.	Register of Share Application Money & Share Allotment	-	-
7.	Register of Contracts with Related Party and Contracts and Bodies etc. in which Directors are interested	189	N.A.
8.	Register of Directors and Key Managerial Personnel & their shareholding	170	Upto date
9.	Directors Attendance Register	-	Upto date
10.	Fixed Assets Register	-	Upto date
11.	Dividend Register	-	Upto date

- As per information & explanations provided to us, the Company has filed the forms and returns as stated below, with the Registrar of Companies or other authorities prescribed under the Act and the rules made there under during the financial year ended on 31st March, 2016.

Forms / Returns filed by the Company during the Financial Year 2015-2016

S. No.	Form No.	Authority with whom forms & returns filed	Filed u/s	Remarks
1.	Form MGT-7	ROC	92 of the Companies Act, 2013	Annual General Meeting : 02.11.2015 Filing date : 29.12.2015 Receipt No. : Q74087248
2.	Form AOC-4	ROC	137 of the Companies Act, 2013	Financial Year : 31.03.2015 Filing date : 29.12.2015 Receipt No. : Q74085648

Details of Other Form filed during 2015-16

1	Form DIR-12*	ROC	168 of the Companies Act, 2013	Date of Change : 01.01.2016 Filing date : 27.01.2016 Receipt No. : C76782531
2	Form MGT-14	ROC	179(3) of the Companies Act, 2013	Filing date : 24.09.2015 Receipt No. :

- Form DIR 12* for completion of Tenure of Non-Official Part-Time Director Shri Debidas Datta, Shri Sushil and Shri Anil Ashok Masand w.e.f 01.01.2016.

3. The Company being a Government of India Enterprise has paid-up capital of Rs. 2,40,01,800/- and its number of members as on 31st March 2016 as per information & explanations provided to us were Ten. The detail of shareholders is given below:

S.No	Particulars of Shareholders	No. of Shares	Distinctive Nos.	Share Certificate No.	Ledger Folio
1.	The President of India	5994	1-5994	000003	2/I
	The President of India	10000	6001-16000	000010	2/I
	The President of India	24000	16001-40000	000011	2/I
	The President of India	17982	40004-57985	000015	2/I
	The President of India	30000	57986-87985	000016	2/I
	The President of India	72000	87986-159985	000017	2/I
	The President of India	79988	160013-240000	000027	2/I
2.	Sh. S.K Jain (Director-Engg)	1	40002	000013	24/III
	Sh. S.K Jain (Director-Engg)	3	159986-159988	000018	24/III
	Sh. S.K Jain (Director-Engg)	2	240017-240018	000036	24/III
3.	Sh. Anshu Prakash (J.S.)	1	5995	000004	22/III
	Sh. Anshu Prakash (J.S.)	3	159989-159991	000019	22/III
	Sh. Anshu Prakash (J.S.)	2	240001-240002	000028	22/III
4.	Dr.(Prof.) Jagdish Prasad, DGHS	1	5996	000007	18/III
	Dr.(Prof.) Jagdish Prasad, DGHS	3	159992-159994	000020	18/III
	Dr.(Prof.) Jagdish Prasad, DGHS	2	240003-240004	000029	18/III
5.	Sh. Arun Panda (J.S.)	1	5997	000006	15/III
	Sh. Arun Panda (J.S.)	3	159995-159997	000021	15/III
	Sh. Arun Panda (J.S.)	2	240005-240006	000030	15/III
6.	Shri. Gautam Guha Former AS&FA (MoH&FW)	1	5998	000009	13/III
	Shri. Gautam Guha Former AS&FA (MoH&FW)	3	159998-160000	000022	13/III
	Shri. Gautam Guha Former AS&FA (MoH&FW)	2	240007-240008	000031	13/III
	Shri. Gautam Guha Former AS&FA (MoH&FW)	2	240007-240008	000031	13/III
7.	Sh. C.K Mishra(A.S.)	1	5999	000005	23/III
	Sh. C.K Mishra(A.S.)	3	160001-160003	000023	23/III
	Sh. C.K Mishra(A.S.)	2	240009-240010	000032	23/III

8.	Dr. Rakesh Kumar (J.S.)	1	6000	000008	19/III
	Dr. Rakesh Kumar (J.S.)	3	160004-160006	000024	19/III
	Dr. Rakesh Kumar (J.S.)	2	240011-240012	000033	19/III
9.	Sh. Gyanesh Pandey (CMD, HSCC)	1	40001	000012	21/III
	Sh. Gyanesh Pandey (CMD, HSCC)	3	160007-160009	000025	21/III
	Sh. Gyanesh Pandey (CMD, HSCC)	2	240013-240014	000034	21/III
10.	Sh.K.C.Samria (J.S.)	1	40003	000014	20/III
	Sh. K.C.Samria (J.S.)	3	160010-160012	000026	20/III
	Sh. K.C.Samria (J.S.)	2	240015-240016	000035	20/III

4. As per information & explanations provided to us the Board of Directors duly met SIX times on the date mentioned below in the table, in respect of those meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.

Dates of Meetings of Board of Directors

Meeting No.	Dates on which Meeting held	Remarks
138th	30.06.2015	Mini Committee Room No. 151A, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.
139th	27.08.2015	Room No. 244A, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.
140th	28.09.2015	Room No. 155A, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.
141th	29.10.2015	Room No. 244A, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.
142th	31.12.2015	Room No. 244A, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.
143th	29.03.2016	Room No. 244A, Ministry of Health & Family Welfare, Nirman Bhawan, New Delhi.

5. The Company was not required to close its Register of Members during the financial year.
6. As per information & explanations provided to us, the Annual General Meeting for the financial year ended on 31.03.2015 was held on 02.11.2015 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Books maintained for the purpose.
7. The company being a Government of India Enterprise, no loans and advances given to directors are as per the guidelines specifically laid down by the Government.
8. As per information & explanations provided to us the Company has not issued any duplicate share certificates during the financial year.
9. As per information & explanations provided to us:
- There was no transfer/transmission of shares as directed by concerned Ministry during the financial year.
 - The Company has declared and paid the amount of dividend within due date during the financial year:

The Company is wholly owned by Government of India and is maintaining a separate Bank Account since 27.09.2001 for payment of dividend and the Company was not required to post warrants to any member of the company as dividend was credited to Government of India account.

- (iii) There are no amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years;
- (iv) The Company has duly complied with the requirements of Section 134 of the Act.
- (v) Basic Earnings per Share for F.Y 2015-16 is Rs.2275.47 (Previous year Rs. 1022.44).
- (vi) Diluted Earnings per Share for F.Y 2015-16 is Rs.2275.47 (Previous year Rs. 1022.44).
10. The Board of Directors of the company is duly constituted and the appointments of directors have been duly made; none of the directors of the company are eligible to retire by rotation.

Details of Board of Directors during 2015-16

S.No.	Name of the Director	DIN	Date of Appointment	Date of Cessation	Authority by whom appointed	Under Section
1.	Shri Gyanesh Pandey , CMD	03555957	26.07.2012	-	Government of India	Clause (45)
2.	Smt. Vijaya Srivastava	07130203	19.02.2015	-	Government of India	Clause (45)
3.	Shri K. C. Samria	01812933	05.08.2014	-	Government of India	Clause (45)
4.	Shri Sanjai Kumar Jain	06573103	10/04/2013	-	Government of India	Clause (45)
5.	Shri Debidas Datta	00229856	02.01.2013	01.01.2016	Government of India	Clause (45)
6.	Shri Anil Ashok Masand	03520037	02.01.2013	01.01.2016	Government of India	Clause (45)
7.	Prof. Sushil	05300091	02.01.2013	01.01.2016	Government of India	Clause (45)

11. The Company has not appointed any Managing Director / Whole time Director / Manager during the financial year.
12. As per information & explanations provided to us, the Company has not appointed any sole-selling agents during the financial year.
13. As per information & explanations provided to us, the Company has obtained the requisite approval from the Central Government or such other authorities prescribed under the various provisions of the Companies Act during the financial year.
14. Directors interest has been duly disclosed.
15. As per information & explanations provided to us, Two Nominee Directors have been nominated by the Government of India and general disclosure of interest has been recorded in the Minutes.
16. As per information & explanations provided to us the company has not bought back any shares during the financial year.
17. As per information & explanations provided to us the company does not have preference shares or debentures.
18. As per information & explanations provided to us there was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
19. As per information & explanations provided to us the company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 73 during the financial year.
20. The Company has not made any borrowing during the financial year ended 31st March, 2016.
21. As per information & explanations provided to us the company has not made loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.

22. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
23. The Company has not altered the provisions of the Memorandum with respect to the object of the Company during the year under scrutiny.
24. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
25. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
26. The company has not altered the provisions of its Articles of Association during the year under scrutiny.
27. As per information & explanations provided to us there was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for the offences under the Act.
28. As per information & explanations provided to us the Company has not received any money as security from its employees during the financial year.
29. As per information & explanations provided to us the company has deducted contribution towards Provident Fund and has deposited both employees' and employer's contribution with the prescribed authorities/trust pursuant to provisions of the Companies Act, 2013.
30. As per information & explanations provided to us the company has re-constituted the CSR Committee as per the requirements of Companies Act, 2013.

Place : New Delhi
Date : 27.08.2016

For **Parveen Rastogi & Co.**

Sd/-
Parveen Rastogi
C.P. No. 2883
M. No. - 4764

INDEPENDENT AUDITORS' REPORT

To,

The Members of HSCC (India) Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of HSCC (India) Ltd ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Qualified Opinion

Attention is invited to the following notes in schedule 20 "Notes to Accounts" forming part of Financial Statements:

- (a) (i) *Note no.20(l)(g) regarding acceptance by the company of joint moral responsibility with the client for the reported lapses in one of the projects (CRI, kasauli) and to bear half of the assessed cost (infructuous expenditure on construction). There had not been further development during the year on this issue, the amount of liability if any has not yet been ascertained and provided for in the books of account.*
- (ii) *Note no. 20(l)(h) regarding deposit by the company Rs. 1704.77 lakhs, out of the deposit from other projects of MOH&FW. In view of pending settlement with MOH & FW no provision for the same has been made in the books of account.*
- (iii) *Note no. 20 (VI) regarding Trade Payable, Lease Deposits, Sundry Debtors, EMD and Security Deposits given by the company and various other balances on behalf of the ministries / clients are subject to reconciliation and confirmation.*

- (iv) During the financial year 2014-15, the company got an FDR made for Rs. 4,92,03,690/- out of dividend account opened with Indian Overseas Bank for encashment of dividend warrant (dividend Cheque) for the year 2013-14. On the said FDR, the company earned interest income of Rs. 1,41,169/- during the intervening period from the date of FDR till the Dividend warrant was presented in the bank which is in contravention of the payment of Dividend Rules.
- (v) Note no. 20 (VIII) regarding old credit balances of Rs. 1387.81 lakhs (previous year Rs. 939.55 lacs) are lying unpaid / unadjusted in the deposit accounts of the clients for more than 4 years.
- (vi) The amount of unclaimed balances of trade payable are not ascertainable on client's works and the outcome of liability, if any, is not known.

The impact of the above qualifications, in view of uncertainties, in Profit, Assets and Liabilities of the company is presently not quantifiable.

- (b) (i) The company is maintaining project financials of 132 projects being undertaken by it on behalf of Ministry / Clients. These financials are incorporated in the books of the company as assets and liabilities and shown separately as "on behalf of Ministry / Clients" Account. The Bank accounts and Fixed Deposits maintained with the bank on behalf of Ministry / Clients are not being monitored by the company on regular basis and accounting of interest and Fixed Deposits is being made by the company based on data / statement provided by the respective banks at the year end.
- (ii) Other than the above projects undertaken on behalf of Ministry / Clients, the company is also providing services to other old clients for which no separate financials have been maintained. In absence of details of funds deposited by the client and Statement of Expenditure of these client accounts, interest income on such funds is also taken as income of the company (amount not ascertained) which is in addition to the income as referred to in Note no. 20 (XXIV) amounting to Rs. 1038.88 lakhs (previous year 1098.32 lakhs) and Para (a) (iii) Basis for Qualified Opinion Para above.

The impact of deficiencies if any existing in the bank accounts, Fixed Deposits, Accrued Interest and Tax Deducted at Source in Ministry / Client accounts and Financials of the Company, in absence of adequate internal control as referred to in annexure "1" Para (IV) (c) of this report is not ascertainable.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph above, including the matters whose effect on the Profit for the year and assets / liabilities as at March 31, 2016 is unascertainable, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at the reporting date and its profit and its Cash flow for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the financial statements:-

- (a) Note no:- XXIII to the financial statements regarding change in accounting policy for recognition of operating revenue for all civil projects and accounting of expenditure incurred thereon .
- (b) Note no:- XXIV to the financial statements regarding accounting for recognition of interest earned on FDRs made out of deposits received from the clients (Corpus) as per approval of Board of Directors and accounting of interest paid to the clients as expenditure..
- (c) The company has paid Rs.3.13 lakhs during the year towards LTC reimbursement. However, the actuarial valuation of the same as on 31.03.2016 has not been obtained by the company.
- (d) Internal Financial control over financial statements (Refer Auditors Report Point No (b) (i) is weak and needs to be strengthened.

Report on Other Legal and Regulatory Requirements

- 1- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure "1" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2- As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the accounting standard specified u/s 133 of the act, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) As per the notification no:- G.S.R 829 (E) dated 21/10/2003 issued u/s. 620(1) of the Companies Act 1956 and read with section 465(2) of the Companies Act 2013, sub section (2) of section 164 of the Companies Act 2013 provisions is not applicable to Government Company.
 - (f) With respect to the adequacy of Internal Financial Control systems and the operating effectiveness of such controls, we give our report in Annexure-2.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31st March 2016 on its financial positions in its financial statements – (Refer note no. 20 to the financial statements).
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 3- As required under section 143 (5) of Companies Act 2013, we give in annexure "3" a statement containing our reply to directions issued by the Comptroller and Auditor General of India.

For L C KAILASH AND ASSOCIATES

Chartered Accountants

Firm Regn. No. : 001811N

Sd/-

(L. C. GUPTA)

Partner

M. No. : 005122

Place: Noida

Date : 19.09.2016

ANNEXURE “1” TO THE INDEPENDENT AUDITORS' REPORT

Statement of matters specified in Para 3 & 4 of the order referred to in sub-section (11) of section 143

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) The fixed assets have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. The company got physical verification of fixed assets for the year 2015-16 conducted by a firm of Chartered Accountants and no material discrepancies were noticed on such verification.
- (ii) Since no inventory is maintained by the company as all contracts are awarded to the contractors with materials on turnkey basis, this Para of the order is not applicable.
- (iii) According to information and explanation given to us the Company has neither granted any loan nor taken any loan, secured or unsecured loans to / from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 hence other Paras of this clause are not applicable.
- (iv) The company has not advanced loans, given guarantees or security or made any investment in contravention of section 185 and / or section 186 of the Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted deposits from public and hence the provisions of sections 73 to 76 read with the rules framed thereunder are not applicable to the company.
- (vi) In our opinion and according to the information and explanations given to us, the company needs strengthening of its internal control systems and procedures in view of the following:
- (a) *There have been generally delays in submission of R.A and final bills by the contractors for projects managed by the company on behalf of the clients. This results in delay in accounting of Income as well as service tax liability as per Service tax Act.*
- (b) *Business Risk Assessment procedures and financial controls Review procedures have not been set up for self-assessment of risks, operating controls and compliance with Corporate Policies.*
- (c) *The company is having system of accounting of fixed deposits and interest thereon however a real time system of analyzing Fixed Deposit Accounts, date of Maturity, Verification of interest credited by the banks needs to be further strengthened.*
- The Company being in the business of rendering consultancy services, the question of purchase of inventory and sale of goods does not arise.*
- (vii) The Central Govt. has not prescribed the maintenance of cost records as per section 148 (1) of the Companies Act 2013.
- (viii) (a) The company has generally been regular in depositing Provident Fund dues of its own employees. Based on the information and explanations given to us the company has laid down system and procedures regarding deposit of PF and ESI dues related to contractor's workers. The company has generally been regular in depositing Income-Tax, Sales Tax, duty of customs, duty of excise, value added tax, cess, and other statutory dues to the appropriate authorities.
- (b) According to the records of the company and information and explanation given to us there are no dues of sales tax or wealth tax or duty of customs or duty of excise or value added tax or cess which has not been deposited on the account of dispute with appropriate authorities. However, Income Tax which has not been deposited on account of dispute is as under.

Name of the the Dues	Nature of the dues	Amount Rs Lacs	Period to which Relates	From where dispute is pending
Service Tax	Service Tax	5.29 plus equivalent amount of penalty and interest	Oct 2009 – Sep-2010	Commissioner of Central Excise (Appeals)
Service Tax	Service Tax (Cenvat Credit)	10.05 plus interest	April 2010- March 2012	Commissioner of Central Excise (Appeals)
Income Tax Act	Income Tax	1452.00 Lacs	AY 2012-13	CIT (Appeals)

(c) According to the information and explanations given to us, there are no amounts that are required to be transferred to Investors Education and Protection Fund during the year in accordance with the relevant provisions of the Companies Act, 1956.

- (ix) According to the information and explanations given to us, no fraud by the company and no fraud on the company by its officers or employees has been noticed or reported during the year.
- (x) The company has not taken any loan from Financial Institutions or Banks or Debenture holders since inception. Hence Para of this order is not applicable to the company.
- (xi) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xii) In our opinion and according to the information and explanations provided to us, the company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act 2013.
- (xiii) The company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiv) During the year the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 Order is not applicable.
- (xv) According to the information and explanations provided to us, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013.
- (xvi) The company is not carrying any activities which require registration under section 45-IA of the Reserve Bank of India Act, 1934.

For **L C KAILASH AND ASSOCIATES**
Chartered Accountants
Firm Regn. No. : 001811N

Sd/-
(L. C. GUPTA)
Partner
M. No. 005122

Place: Noida
Date: 19.09.2016

ANNEXURE “2” TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of HSCC (India) Ltd. (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting needs improvement as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **L C KAILASH AND ASSOCIATES**

Chartered Accountants

Firm Regn. No. : 001811N

Sd/-

(L. C. GUPTA)

Partner

M. No. 005122

Place: Noida

Date: 19.09.2016

ANNEXURE “3” TO INDEPENDENT AUDITORS’ REPORT

Directions/Sub-Directions indicating the areas to be examined by the statutory auditors during the course of audit of Annual Accounts of the HSCC (India) Ltd for the year 2015-16 issued by the Comptroller & Auditor General of India under section 143 (5) of the Companies Act, 2013

S.No	Directions/Sub-Directions	Action Taken	Impact on Financial Statement
A	Directions		
1.	Please report whether the Company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	The Company has clear title/lease deeds for freehold and leasehold land.	NIL
2.	whether there are any cases of waiver/ write off of debts/ loans / interest etc., if yes, the reason there for and the amount involved.	NIL	NIL
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	Not applicable, since the company does not carry any inventory due to nature of its business and no assets received as gift from government or other authorities.	NIL
B	Sub Directions : NIL		

For **L C KAILASH AND ASSOCIATES**
Chartered Accountants
Firm Regn. No. : 001811N

Place: Noida
Date: 19.09.2016

Sd/-
(L. C. GUPTA)
Partner
M. No. 005122

HSCC (India) Ltd.
Balance Sheet as at 31.03.2016

(Amount in `)

Particulars	Note No.	As at 31 st March, 2016	As at 31 st March, 2015
I EQUITY AND LIABILITIES			
1 Shareholders' Funds:			
(a) Share Capital	2	24001800	24001800
(b) Reserves and Surplus	3	1718225451	1369272403
(c) Specific reserve	4	13660523	15254582
2 Non - Current Liabilities			
(a) Other Long Term Liabilities	5	54530451	58930802
(b) Long -Term Provisions	6	59893737	51224388
3 Current Liabilities			
(a) Trade Payables	7	3784904	4502318
(b) (i) Other Current Liabilities	8	608886073	587084765
(ii) Other Current Liabilities - Ministry / Clients		16806561917	11793590637
(c) Short -Term Provisions	9	173296542	67812027
TOTAL		<u>19462841398</u>	<u>13971673722</u>
II ASSETS			
1 Non - Current Assets			
(a) Fixed Assets	10		
(i) Tangible		62627411	64804719
(ii) Intangible		832006	111092
(b) Deferred Tax Assets (Net)	11	46375884	28392327
(c) Long-Term Loans and Advances	12	8591639	8862849
2 Current Assets			
(a) Trade Receivables	13	424524650	310906972
(b) (i) Cash and Cash Equivalents	14	1559144086	1337107712
(ii) Cash and Cash Equivalents (on behalf of Ministry / Clients)		12472937549	10124994489
(c) (i) Short-Term Loans and Advances	15	281916211	173591629
(ii) Short-Term Loans and Advances (on behalf of Ministry / Clients)		1562475273	1468450268
(d) (i) Other Current Assets	16	2844569040	254305785
(ii) Other Current Assets (on behalf of Ministry / Clients)		198847649	200145880
TOTAL		<u>19462841398</u>	<u>13971673722</u>
The accompanying notes 1 to 20 are an integral part of the accounts			

As per our report of even date

For and on behalf of the Board of Directors

For L C Kailash And Associates
Chartered Accountants
Firm Regn. No. : 001811N

Sd/-
(Gyanesh Pandey)
Chairman & Managing Director
DIN: 03555957

Sd/-
Partner : L. C. Gupta
M. No. : 005122

Sd/-
(S. K. Jain)
Director (Engg.)
DIN: 06573103

Sd/-
(Saurabh Srivastava)
CGM (F&A)

Sd/-
(R. K. Pathak)
DGM (F&A) & Co. Secy.

Place : Noida
Date : 19.09.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

(Amount in `.)

Particulars	Note No.	2015-16	2014-15
I. REVENUE FROM OPERATIONS:			
Value of Work Done		10218042198	4900422891
II. Other Income	17	851764163	857239082
III. TOTAL REVENUE (I+II)		<u>11069806361</u>	<u>5757661973</u>
IV. EXPENSES:			
a Contract Expenses		9240240153	4477651667
b Interest Credited/Paid to Govt. Clients		594447522	641518445
c Employee Benefits Expense	18	221695764	184749751
d Administrative and other Expenses	19	127322141	67343452
e Depreciation and amortization Expense	10	6295172	6942182
V. TOTAL EXPENSES		<u>10190000752</u>	<u>5378205497</u>
VI. Profit before Exceptional and Extraordinary items (III - V)		879805609	379456476
VII. Exceptional and Extraordinary items		11148894	-
VIII. Profit Before Tax (VI - VII)		<u>868656715</u>	<u>379456476</u>
IX. TAX EXPENSES:			
Current Tax		340485522	141000000
Deferred Tax		<u>(17983557)</u>	<u>(6947759)</u>
X. Profit for the year (VIII - IX)		<u>546154750</u>	<u>245404235</u>
XI. Earnings per equity share of Rs. 100 each	20(XXI)		
Basic Earnings Per Share		2275.47	1022.44
Diluted Earnings Per Share		2275.47	1022.44
The accompanying notes 1 to 20 are an integral part of these financial statements			

As per our report of even date

For and on behalf of the Board of Directors

For L C Kailash And Associates
Chartered Accountants
Firm Regn. No. : 001811N

Sd/-
(Gyanesh Pandey)
Chairman & Managing Director
DIN: 03555957

Sd/-
Partner : L. C. Gupta
M. No. : 005122

Sd/-
(S. K. Jain)
Director (Engg.)
DIN: 06573103

Sd/-
(Saurabh Srivastava)
CGM (F&A)

Sd/-
(R. K. Pathak)
DGM (F&A) & Co. Secy.

Place : Noida
Date : 19.09.2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2016

(Amount in `)

Particulars	As on 31.03.2016	As on 31.03.2015
(A) Cash flow from operating activities		
Profit Before Tax	868656715	379456476
Adjustment for:		
Add: Depreciation & Amortisation as per Profit & Loss Account of RS. 62,95,172/- & Prior period depreciation Rs. 35,791/-	6330963	6942182
Add: Loss on sale / discarded assets	-	70292
Less: Profit on sale of Fixed Assets	11383	-
Less: Provision Written Back(Dividend Tax)	57594	-
Less: Interest received	249183152	213231654
Operating Profit before working capital changes	<u>625735549</u>	<u>173237296</u>
Adjustment for :		
Add: Increase in other current liabilities-Ministry	5012971280	2540611642
Add: Increase in Other Long term liabilities	-	3028975
Add: Increase in Provisions	4485,384	5214892
Add: Increase in other current liabilities	21801308	-
Add: Decrease in Trade receivables	-	4693001
Add: Decrease in short term loans & advances	-	-
Add: Decrease in short term loans & advances-on behalf of Ministry/clients	-	469483055
Add: Decrease in Long term loans & advances	271210	-
Add: Decrease in other current assets-on behalf of Ministry/clients	1298231	-
Total	<u>5040827413</u>	<u>3023031565</u>
Less: Increase in Long term loans & advances	-	538270
Less: Increase in other current assets-on behalf of Ministry/clients	-	135150546
Less: Increase in other current assets	2590201106	37631951
Less: Increase in short term loans & advances-on behalf of Ministry/clients	94025005	-
Less: Increase in short term loans & advances	108324582	108580636
Less: Increase in Trade receivables	113617678	-
Less: Decrease in Other Long term liabilities	4400351	-
Less: Decrease in Trade Payables	717414	1430215
Less: Decrease in Corporate Social Responsibility Fund	1594059	-
Less: Decrease in other current liabilities	-	128655139
Total	<u>2912880195</u>	<u>411986757</u>
Cash generated from Operating activities	<u>2753682767</u>	<u>2784282104</u>
Less: Direct Tax Paid	368740746	115996743
Net Cash flow from Operating activities	<u>2384942021</u>	<u>2668285361</u>
(B) Cash Flows from Investing Activities:		
Sale of Fixed Assets	38696	73431
Add: Interest received	249183152	213231654
Less: Purchase of New Equipment	4964033	4076503
Net Cash Flows from Investing Activities	244257815	209228582
(C) Cash Flows from Financing Activities:		
Dividend on equity shares paid	49203690	49203690
Add: Dividend Tax paid	10016714	8362170
Net Cash from Financing Activities	59220404	57565860
Net Increase / Decrease in cash & cash equivalent	2569979434	2819948082
Cash beginning of the year	11462102201	8642154119
Cash end of the Year	14032081635	11462102201
Summary:		
Cash end of the year		
(a) Cash -in-Hand including Imprest	435974	216920
(b) Balance With Banks		
- On Current Accounts	291734211	267540115
- On Deposit Accounts(< 1Yrs)	1266973901	1069350677
- On Deposit Accounts(> 1Yrs)	-	-
Total(A)	<u>1559144086</u>	<u>1337107712</u>
Other Bank Balance held on behalf of Ministries/Clients		
- On Saving Accounts	909798779	394451266
- On Deposit Accounts(< 1Yrs)	-	-
- On Deposit Accounts(> 1Yrs)	11563138770	9730543223
Total(B)	<u>12472937549</u>	<u>10124994489</u>
TOTAL(A+B)	<u>14032081635</u>	<u>11462102201</u>

The accompanying notes 1 to 20 are an Integral part of these financial statements.

As per our report of even date
For L C Kailash And Associates
Chartered Accountants
Firm Regn. No. : 001811N

For and on behalf of the Board of Directors

Sd/-
(Gyanesh Pandey)
Chairman & Managing Director
DIN: 03555957

Sd/-
Partner: L. C. Gupta
M. No. : 005122
Place : Noida
Date :19.09.2016

Sd/-
(S.K.Jain)
Director (Engg.)
DIN: 06573103

Sd/-
(Saurabh Srivastava)
CGM (F&A)

Sd/-
(R.K. Pathak)
DGM (F&A) & Co. Secy.

1. SIGNIFICANT ACCOUNTING POLICIES

I. COMPANY INFORMATION:

HSCC (India) Limited, a Mini Ratna (Category I Company), is a Government of India Enterprises engaged in rendering comprehensive range of professional services as consulting and executing agency for construction activities in healthcare & other social sectors in India and abroad that includes Conceptual Studies, Management Consultancy, Project Management, Logistics & Installation, Procurements, Information Technology, Design & Engineering and Healthcare Facility Design.

II. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provision of Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

III. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles require that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period, such estimates include accounting for contract cost expected to be incurred to complete the projects, provision for doubtful debts and advances, obligations under employee retirement benefit plans, taxes on income and determination of useful life of fixed assets. The management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates and assumptions and such differences are recognised in the period in which the results are known / materialised.

IV. REVENUE RECOGNITION

The policies for recognition of Revenue in respect of various activities are as under:

a) ON CONSTRUCTION CONTRACTS

- i. Value of work done is recognized on percentage completion method. The value is determined based on the milestone achieved as stipulated in the contracts and on the basis of measureable work actually executed plus proportionate margin percentage thereon up to the reporting date where the contracts do not stipulate milestones.
- ii. Value of work done/consultancy fees is determined based on the milestone achieved/proportionate achieved as stipulated in the contracts.
- iii. At the year end, works executed but not measured are accounted for based on certification by Engineer in charge on the basis of technical assessment of work done.
- iv. In case of projects foreclosed/terminated, revenue is recognized only to the extent of that part of contract, the recovery of which is probable based on past experience consented by the engineer in charge of the project.
- v. In case of deposit and/or cost plus contracts, the revenue is recognized based on cost incurred on the work done by the contractor plus proportionate percentage of margin stipulated thereon.
- vi. The value of claim for extra/substituted items is recognized on the item rate basis and other claims considered realizable by Engineer in charge of the project based on past experience.

b) ON PROCUREMENT

- i. The Revenue (fees) is recognized as income on the basis of bills raised in respect of fee receivable for work/stages completed as scheduled in the agreement with the client.

- ii. In the cases where stages of Consultancy Fees have not been expressly stipulated in the agreement with clients, the same is recognized as income in the following manner:
On placement of supply order – 70% of total fee receivable.
On receipt of supplies/installation of equipments – balance 30% of total fees.
- c) ON DESIGN ENGINEERING / STUDIES/ DPR/ MOU/ TRAINING/ INFORMATION TECHNOLOGY / LOGISTIC & INSTALLATION & CONSULTANCY.**
Revenue is recognized as income on the basis of bills raised in respect of fees due as per terms of agreement with clients and certified by the concerned Engineer in Charge.
- d) GENERAL**
 - i. Where there is a revision in the cost of the project, the revenue impact (fees) is reflected in the year of revision in the cost.
 - ii. If mobilization advance is received against consultancy fees, the same is adjusted proportionately against various stages as scheduled in the agreement with client.
 - iii. If advance fee is part of stage payment then it is recognized as income along with completion of next stage as defined in the agreement.
- e) INTEREST**
Interest earned on funds received from clients is accounted as interest income. Interest paid / credited to the clients as per the terms of the agreement is treated as expenditure.

V. TANGIBLE & INTANGIBLE ASSETS

A. Fixed Assets

i. Tangible Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition of fixed assets are capitalized. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

ii. Retired/Unusable Assets

Items of tangible assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately as "Assets Held for Disposal".

iii. Intangible Assets

Intangible assets are stated at cost of acquisition, net of accumulated amortization and accumulated impairment losses, if any. The cost includes purchase cost (net of rebate and discounts) and any directly attributable cost on making the asset ready for its intended use.

B. Depreciation

a. Tangible Assets:

- I. Depreciation is provided on written down value method at the rates and in the manner prescribed under Schedule II, of the Companies Act, 2013. Assets costing up to Rs. 5,000/- each are fully depreciated in the year of purchase.
- II. Leasehold land is amortized proportionately over the duration of lease period.

b. Intangible Assets:

- I. The costs of intangible assets are amortized on written down value method over useful life of 3 years.
- II. Software costing less than Rs. 5000/- is charged-off in the year of purchase.

VI. PRIOR PERIOD ITEMS

Items of income/expenditure in excess of Rs. 20,000/- each, relating to earlier years are treated as prior period income / expenditure and are appropriately disclosed.

VII. PREPAID EXPENSES

Expenses in each case up to Rs. 20,000/- relating to subsequent years are being charged off to current year expenses and those more than Rs. 20,000/- each are treated as prepaid expenses.

VIII. EMPLOYEE BENEFITS (Retirement / Post retirement)

a. Short term Benefits:

Short term employee benefits like salary, allowances and performance related pay are recognised as expenses in the year in which the related services are rendered.

I. Leave Travel Concession (LTC) for Home Town

The Company has a Scheme of providing Leave Travel Concession for visit to home town to employees and their dependents. The Scheme is unfunded and is recognized in Profit & Loss Account on the basis of actual payment.

b. Long term Plan (Defined Contribution):

Defined contribution plans are those plans where the company pays fixed percentage of contribution to provident fund, pension fund etc.

I. Medical Facility

The Company has Medical Benefit Scheme under which employees on regular pay scales including retired employees are provided medical facilities. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Medical Fund Trust". The contribution to the Trust is recognized in Profit & Loss Account on payment basis.

II. Pension Plan

Contributions to defined contribution schemes such as superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Contribution to Employees Pension Scheme is made out of employer's share of Provident Fund. Contributions to the above schemes are charged as expense based on the amount of contribution required to be made as and when services are rendered by the employees.

III. Provident Fund

Provident fund contributions are made to a trust administered by the PF Trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company.

c. Long term plans: (Defined Benefit)

I. Gratuity

The Company also provides for retirement / post-retirement benefits in the form of gratuity, compensated absences. The Group's liability towards such defined benefit plans is determined based on valuations, as at the balance sheet date, made by independent actuaries using the projected unit credit method. All actuarial gains and losses in respect of the defined benefit plans are recognised in the Statement of Profit and Loss in the year in which they arise.

The Company has a defined benefit Gratuity Plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15 / 26 x last drawn Basic Pay

plus Dearness Allowance) for each completed year of service, subject to a maximum of Rs. 10 lakhs (Previous Year Rs. 10 lakhs) on superannuation, resignation, disablement or on death. The Scheme is funded by the Company and is managed by a separate Trust namely "HSCC Employees' Gratuity Fund Trust". The Company has taken a Group Gratuity cum Life Insurance Policy from the Life Insurance Corporation of India. The liability for the same is recognized on the basis of amount payable to Life Insurance Corporation of India being calculated by them on actuarial valuation using projected unit credit method on annual basis.

II. Leave Encashment

The Company has a defined benefit Leave Encashment Plan for compensated absence for Earned Leave and Half Pay Leave (sick leave). The Scheme is unfunded and the obligation is recognized in Profit & Loss Account on the basis of independent actuarial valuation using projected unit credit method on annual basis. The amount received from previous organization of a newly joined employee is credited to Profit & Loss Account in the year of receipt.

IX. PERFORMANCE RELATED PAY

In line with DPE guidelines liability is provided for Performance Related Pay to Employees. Gross up 3% of PBT plus gross up 2% of PBT or 10% of incremental profit whichever is lower subject to maximum of gross up 5% of PBT for executives and additional liability is provided for non executives.

X. FOREIGN CURRENCY TRANSACTIONS

Foreign Currency Transactions are recorded on the basis of exchange rate prevailing on the date of respective transaction. Gains / losses arising out of subsequent fluctuations in exchange rates, arising, either on settlement or on translation, are recognized in the Profit & Loss Account. Where such transactions are on behalf of clients, the gain / loss is transferred to respective clients' accounts.

XI. RESEARCH & DEVELOPMENT

Revenue expenditure on Research & Development is charged as expense in the year in which it is incurred. In cases where Fixed Assets are purchased carrying out research, the same is capitalized and amortized on written down value basis over the useful life of the assets.

XII. PROVISION FOR TAXATION

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflect the impact of current year's timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years / period. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

XIII. LIABILITIES / PROVISIONS NO LONGER REQUIRED

Liabilities / Provisions outstanding for last four years or more which are no longer required as on the date of Balance Sheet are written back. Claims arising, if any, after that date is charged off in the year of claim.

XIV. PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

A provision for contingent liability is recognized when Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent liabilities are disclosed and not recognized. Contingent assets are neither recognized nor disclosed.

XV. PROVISION FOR DOUBTFUL DEBTS

The outstanding debts which are not collected up to 3 years of their ageing will be reviewed and the provision shall be made in the books of accounts for doubtful debts based on the report of the management. The outstanding which are not recoverable after all efforts are made for its recovery are written off after approval of Board of Directors. For other debts, provision is made when there is an uncertainty of realization. Any future recoveries in these accounts are considered as income of the company in the year of receipt.

XVI. OPERATING LEASES

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. The company is lessee under such arrangements. Payments under such leases are charged to the Statement of Profit and Loss on a straight line basis over the primary period of the lease.

XVII. CLAIMS

- a. Claims against the company are accounted once the same are accepted by the management.
- b. Claims by the company on clients/contractors shall be recognised on the basis of acceptance by the party on whom the claim is raised.

XVIII. LIQUIDATED DAMAGES ON CONTRACTS

The liquidated damages & other liabilities on contracts which are in progress and are completed is accounted for as and when the liability is communicated / determined by the client and accepted by the company.

XIX. IMPAIRMENT

The Company assesses at each reporting date as to whether there is any indication that an asset (tangible and intangible) may be impaired. An asset is treated as impaired, when the carrying cost of the asset exceeds its recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

An impairment loss is charged to Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2016

Particulars	As at 31.03.2016 (No. of Shares)		As at 31.03.2015 (Amount in `)	
2. SHARE CAPITAL				
(a) Authorised Equity Shares of Rs. 100/- each	500000	50000000	500000	50000000
(b) Issued ,Subscribed & Paid up: Equity Shares of Rs. 100/- each	240018	24001800	240018	24001800
(c) Reconciliation of number of Equity Shares Outstanding at the begning and at the end of the year				
At the beginning of the Year	240018	24001800	240018	24001800
At the end of the Year	240018	24001800	240,018	24001800
(d) Shareholder holding more 5% shares of the company Name of shareholder				
The President of India	239964	99.9775 %	239964	99. 9775 %
(e) Details of Bonus Equity Shares fully paid up issued by Capitalisation of Reserves				
Particulars				
2003-04	120009		120009	
2008-09	80006		80006	
Total	200,015		200,015	
(f) Statement of changes in equity :	NIL		NIL	
Equity Share :				
1. Share outstanding at the begning of the period of Rs. 100/ each	240018		240018	
2. Share outstanding at the end of the period of Rs. 100/- each	240018		240018	
3 Reserve and Surplus				
(a) General Reserves				
At the beginning of the Year		279553727		259553727
Add:-Transfer from Surplus in Statement of Profit & Loss		20000000		20000000
Total(A)		299553727		279553727
(b) Surplus-Balance in Statement of Profit and Loss				
At the beginning of the Year		1089718676		924513391
Less: Transitional effects on revision of depreciation on useful life of the assets in accordance with Schedule II		-		920951
Add:- Profit for the year		546154750		245404235
Appropriations:				
Less:				
(a) Transferred to General Reserves		20000000		20000000
(b) Proposed Dividend (30% of Net Profit)				
Previous year (20% of Net Profit)		163846425		49203690
(c) Tax on Pro:posed Dividend		33355277		10074308
Total(B)		1418671724		1089718676
Total (A) + (B)		1718225451		1369272403
4 Specific Reserve				
Corporate Social Responsibility Fund*		10692423		12286482
Research & Development Fund		1677200		1677200
Sustained Development Fund		1290900		1290900
Total		13660523		15254582
* Note-Details of expenditure explained in notes to accounts Notes No:20.(II)				

Particulars	As at 31 st March, 2016 (Amount in `)		As at 31 st March, 2015 (Amount in `)	
5 Other Long Term Liabilities				
Others (Retention Money)		54530451		58930802
Total		<u>54530451</u>		<u>58930802</u>
6 Long Term Provision				
Provision for Employee Benefits (Leave Encashment)		59893737		51224388
Total		<u>59893737</u>		<u>51224388</u>
7 Current Liabilities:				
Trade Payable		3784904		4502318
Total		<u>3784904</u>		<u>4502318</u>
8 Other Current Liabilities :				
Sundry Creditors	37065653		39795009	
Deposit & Advances	<u>361684533</u>	398750186	<u>416471257</u>	456266266
Advance Fee from Clients		20489059		21877667
Other Payables (Taxes)		69209707		56201899
Earnest Money Deposit		51459622		29020115
Employee Related Liabilities		1564348		1816886
Other Payables		67413151		21901932
Total		<u>608886073</u>		<u>587084765</u>
On behalf of Ministry /Clients				
Sundry Creditors		885666727		1957688911
Retention Money		686784003		535736101
Deposit from clients:-				
Deposit Balance	9813508660		6999324521	
Interest on deposits	<u>2250062029</u>	12063570689	<u>1958891045</u>	8958215566
Liability for Contract Expenses		2572301446		
Book Overdraft*		598239052		341950059
Total		<u>16806561917</u>		<u>11793590637</u>
* Book overdraft due to issuance of cheques which will be cleared against term deposits.				
9 Short Term Provisions				
Provision for Employee Benefits (Gratuity)		607707		3697718
Provision for Employee Benefits (Leave Encashment)		2752723		3846677
Others :				
Provision for Taxation	750056255		501869150	
Less:Advance Income Tax / TDS	<u>777321845</u>	(27265590)	<u>500879516</u>	989634
Provision for Dividend	163846425		49203690	
Provision for Dividend Distribution Tax	<u>33355277</u>	197201702	<u>10074308</u>	59277998
Total		<u>173296542</u>		<u>67812027</u>

Note No. : 10

(Amount in `)

FIXED ASSETS	DEPRECIATION FOR THE FINANCIAL YEAR 2015-16										
	GROSS BLOCK					DEPRECIATION					NET BLOCK
Particulars	As At 1- Apr-15	Additions during the year	Sales/Adj. during the year	As At 31-Mar-16	As At 1- Apr-15	For the Year 2015-16	Adjustments during the year	Upto 31-Mar-16	As at 31-Mar-16	As at 31-Mar-15	
Tangible Assets: As per Co. Act-2013											
Buildings (NESD)	31158405	-	-	31158405	15642194	885576	-	16527770	14630635	15516210	
Furniture and Fittings (NESD)	13547405	134834	102636	13579603	10210190	932696	100298	11042588	2537015	3337215	
Office Equipments (NESD)	17340010	1701796	331889	18709917	13816449	1197475	298704	14715220	3994697	3523562	
Motor Vehicles (NESD)	11242225	529427	505175	1148477	1086151	189976	498095	778032	370445	38074	
Computers and Data processing units (NESD)	15974483	1713540	847792	16840231	12925096	2465437	800931	14589602	2250629	3049387	
Sub Total -A	79144528	4079597	1787492	81436633	53680080	5671160	1698028	57653212	23783421	25464448	
Tangible Assets:											
Land - Lease Hold *	44665262	-	-	44665262	5324991	496281	-	5821272	38843990	39340271	
Intangible Assets:											
Software	1208945	884436	-	2093381	1097853	163522	-	1261375	832006	111092	
Sub Total -B	45874207	884436	-	46758643	6422844	659803	-	7082647	39675996	39451363	
Current Year Grand Total	125018735	4964033	1787492	128195276	60102924	6330963**	1698028	64735859	63459417	64915811	
Previous Year's Total	126527377	4076503	4189981	125018735	57207000	6942182	4046258	60102924	64915811		

Note :-

* Leasehold Land is amortised proportionately over 90 years from the date of Lease deed from 1996 valuing Rs. 5749075/- and from 2006 valuing Rs. 38916187/-

** 6330963/- includes 35791/- relating to FY -2014-15 debited in prior period expenses. Depreciation for the year 2015-16 Rs. 6295172/-

Deduction/adjustments from gross block and depreciation for the year includes:

Particulars	Gross Block		Depreciation Reserve	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Assets held for disposal	4004368	2971343	3838927	2868051

According to the Management, there is no impairment in value of fixed assets which is appearing in the books of accounts as on 31.03.2016.

Particulars	As at 31 st March, 2016 (Amount in `)		As at 31 st March, 2015 (Amount in `)	
11 Deferred Tax Assets(Net)				
Deferred Tax Assets				
On Leave Encashment		21680687		18718655
On Provision for Doubtful Debts		25545747		10838868
Less : Deferred Tax Liabilities				
On Difference of Fixed Assets Block Between Income Tax and Companies Act		850550		1165196
Total		46375884		28392327
12 Long Term Loans & Advances				
Secured - Considered Good:				
- Employee Advance:				
- Vehicle Advance - (Secured by charge over the Vehicle)		1159590		1,202,018
- House Building Advance (Secured by conveyance deed held by the company)		769718		998,500
Amount Recoverable from Income Tax Deptt:				
A/Y-2005-06		5835000		5,835,000
A/Y-2006-07		330850		330,850
Fringe Benefits Tax Receivable		496481		496,481
Total		8591639		8,862,849
13 Trade Receivables				
Debts Outstanding for a Period exceeding six months:				
-Considered Good		175889691		161210303
-Considered Doubtful	72513519		30587350	
Less : Provision for Doubtful Debts	72513519	-	30587350	-
Other Debts - Considered Good		248634959		149696669
Total		424524650		310906972
14 Cash and Cash Equivalent				
(a) Cash -in-Hand including Imprest		435974		216920
(b) Balance With Banks				
- On Current Accounts		291734211		267,540,115
- On Deposit Accounts (< 1Yrs)*	1128982246		1034732145	
- On Deposit Accounts (> 1Yrs)	137991655	1266973901	34618532	1069350677
Total		1559144086		1337107712
* Details of FDR under lien mark as on 31.03.2016 for Issue of Bank Gurantees.				
S.No. Bank Name	FDR No.	FDR Amount in `		
1 Indian Overseas Bank	511300925	1950000		
2 Punjab National Bank	DP18772	2555000		
3 Punjab National Bank	GR-569	11626000		
4 Punjab National Bank	GR-1814	100000000		
Total		116131000		
Bank Balance held on behalf of Ministries/Clients				
- On Saving Accounts		909798779		394451266
- On Deposit Accounts(< 1Yrs)	10917736577		9156998229	
- On Deposit Accounts(> 1Yrs)	645402193	11563138770	573544994	9730543223
Total		12472937549		10124994489

Particulars	As at 31 st March, 2016 (Amount in `)		As at 31 st March, 2015 (Amount in `)	
15 Short Term Loans & Advances				
* Employees Advance: (Unsecured, considered good unless other wise stated)				
- Tour Advance		311960		54387
- Other Recoverable Advance		1132437		1241278
Progressive Contractors advance (adjustable against running bills)		-	4412085	
- Recoverable from Clients (Secured by the deposit in the client account to the extent of ` 210029527/-)	242980661	242980661	148132163	152544248
Receivable from Clients				
- Recoverable from Clients(Considered Doubtful)	1301053		1301053	
Less : Provisions	1301053	-	1301053	-
Others				
- Considered Good		37491153		19751716
Total		281916211		173591629
On Behalf of Ministry/Clients				
<u>Contractors Advance:</u>				
Mobilisation advance to contractor-Secured by Bank Gurantee	125948862		397996074	
Progressive Contractors advance (adjustable against running bills)	1266526411	1392475,273	275819795	673815869
Advances/Deposits		-		794634399
NAMP Receivables-Deposit with Court		170000000		-
Total		1562475273		1468450268
* Amount Due from Directors/ Departmental Heads		305444		394600
16 Other Current Assets				
Interest accrued but not due				
- On Deposits with banks		84158895		75449248
- On staff Loans and advances		720357		724749
Interest Receivable		139110056		144225898
Value of work done (Suspense Consultancy)		48054640		33784113
Assets held for Disposal		165441		103292
Deposit against Service tax appeal		39720		-
Ex-Employee Recoverables		18485		18485
Value of work done (Suspense)		2572301446		-
- On behalf of Ministries/ Clients				
Total		2844569040		254305785
- On behalf of Ministries/ Clients - on Deposits with Banks				
Interest accrued but not due		198847649		200145880
Total		198847649		200145880

Particulars	As at 31 st March, 2016 (Amount in `)		As at 31 st March, 2015 (Amount in `)	
17. Other Income				
Interest on deposits (HSCC Fund)	113984813		103209206	
Interest on deposits (Govt. Fund)	<u>729466001</u>	843450814	<u>751349996</u>	854559,202
Interest on Staff Loans		179860		190897
Unclaimed balances written back		56068		23602
Provisions no longer required written back		983394		-
Sale of Tender Documents		6496177		2461798
Profit on sale of Fixed Assets		11383		-
Miscellaneous Income		586467		3583
Total		<u>851764163</u>		<u>857239082</u>
18. Employee Benefits Expenses				
Salaries, Wages, Ex-gratia / PRP and allowances		177826115		139548489
Contribution to Provident Fund and Pension Fund		12988571		12496335
Contribution to Gratuity Fund		607707		3697718
Contribution for Group Insurance		67972		44916
Lease Rent for staff accommodations (Net of recoveries)		17604285		16858017
Staff welfare (Including Medical and Leave Travel Concession)		8296114		8094276
Contribution to Medical Fund Trust		2685000		2490000
Contribution to Welfare Fund Trust		1620000		1520000
Total		<u>221695764</u>		<u>184749751</u>
19 Administrative & Other Expenses				
Rent		2551176		2507059
Travelling and Conveyance:				
Directors (including Foreign Travel - Rs.3.39/-Lakh ; Previous Year 5.83/-Lakh)	1577468		583428	
Others (including Foreign Travel - Rs 6.48/-Lakh , Previous Year Rs 10.30 Lakh)	<u>10302049</u>	11879517	<u>11744227</u>	12327655
Insurance		177335		111737
Power and Fuel		3596235		4096380
Printing and Stationery		5140438		4018814
Postage		550012		770622
Telephone		1685420		1460874
Vehicle Running & Maint. Expenses		87733		156376
Vehicle / Taxi hire charges(Net of Recoveries)		4507668		3597019
Advertisement and Publicity		1257170		482406
Professional Charges and Fees for Services rendered		10933724		9887514
Repair and Maintenance:				
- Building	5576454		3067770	
- Office Equip.	<u>445674</u>	6022128	<u>331010</u>	3398780
Auditors' Remuneration - Refer Note no. 20 (XI)		520000		654350

Particulars	As at 31 st March, 2016 (Amount in `)	As at 31 st March, 2015 (Amount in `)
Business Promotion	4696839	2739114
Directors Sitting Fees	170000	130000
Subscription & Membership Fees	139790	23422
Legal Expenses	23020	1108968
Information & Technology Expenses	1167546	935140
CSR Expenses	7405941	
CSR Expenses (Previous year)	<u>2424000</u>	4020000
Recruitment and Training Expenses	775035	722746
Watch and Ward Expenses	2651254	1694211
Bank Charges	624235	-
Miscellaneous Expenses	477516	629689
Provision for Bad & Doubtful Debts	41926169	14115987
Loss on sale of fixed assets	-	70292
Loss on Exchange Diff in Foreign Currency	-	223947
Prior Period Items :		
Prior Period Income (for details see note below)	(524895)	(2596835)
Prior Period Expenses (for details see note below)	<u>16457135</u>	<u>57184</u>
	15932240	(2539651)
Total	<u>127322141</u>	<u>67343452</u>
Prior Period Items Details		
Income:		
Consultancy Fee	-	2596835
Interest on FDR	524895	-
(a)	<u>524895</u>	<u>2596835</u>
Expenses:		
Travelling Expenses	27344	57994
Interest paid	16394000	65121
Depreciation	35791	-
Others	-	(65931)
(b)	<u>16457135</u>	<u>57184</u>
Total (b-a)	<u>15932240</u>	<u>(2539651)</u>

20. Notes forming part of the financial statements

I. Contingent Liabilities not provided for :

- (a) Claims against the Company not acknowledged as debt amounting to Rs.1.83 lakhs (Previous Year Rs. 1.83 lakhs) pertaining to the demand w.e.f 01.01.1997 raised in 2004 by Employees State Insurance Corporation, Kanpur.
- (b) Unsettled disputed staff dues Rs. 34.61 Lakhs (Previous Year Rs. 34.61 lakhs).
- (c) Guarantees issued by Banks on behalf of Company for performance guarantees to the clients in respect of Construction projects outstanding as on 31.03.2016 is Rs. 555.03 lakhs (Previous Year Rs. 261.34 lakhs).
- (d) Foreign Letter of Credits open by HSCC on behalf of ministries/clients outstanding as on 31.03.2016 converted at the exchange rate as on reporting date is Rs. 1067.96 lakhs.(Previous Year Rs. 2031.30 lakhs).However, the management holds no responsibility for any liability in these cases.
- (e) **Income Tax**
 - Against Income Tax demand for Assessment year 2012-2013 of Rs. 1452 lakhs by the Assessing officer under section 143 (3), the company preferred appeals with CIT(Appeals) on 13.03.2015 against the said order. The CIT(Appeals) vide its order dated 30.10.2015 allowed the appeal and directed the Assessing officer to get the verification of TDS done at his end and allow credit of due TDS to the assessee.

Service Tax

- The Office of the Principal Commissioner of Service Tax, Noida vide order dated 20.01.2016 raised demand of Rs. 5,29,473/- for the period Oct. 2009 to Sept. 2010 on account of disallowance of Cenvat Credit along with additional demand of Rs. 5,29,473/- as penalty with interest. The Company has preferred the appeal before Commissioner of Central Excise (Appeals) on 28.03.2016. However, the company has deposited amount of Rs. 39,720/- under protest.
- The Office of the Principal Commissioner of Service Tax, Noida raised demand of Rs. 10,05,498/- for the period April 2010 to March 2012 on account of disallowance of Cenvat Credit. The company has deposited Rs. 3,18,466/- on 30.11.2012. Additional demand of Rs. 10,05,498/- together with interest thereon has been raised by the Service Tax Department for which an appeal has been preferred before Commissioner of Central Excise (Appeals) on 25.07.2016.

Provident Fund

- The Regional Provident Fund Commissioner has assessed the PF liability of Rs. 6,86,222/- in respect of contractual employees engaged by the company through contractor for Civil works for the year 2004-05 to 2008-09. The company has not accepted the liability and gone for appeal before the Regional Provident Fund Commissioner and the matter is sub-judice. The company on the advice of the legal consultant deposited Rs. 5,14,667/- equivalent to 75 % of the liability assessed (Rs. 3,14,909/- deposited in HSCC owned PF Trust and balance Rs. 1,99,758/- with RPF).
 - (f) Claims aggregating to Rs. 2881.61 lakhs towards supply of material (Previous Year Rs. 2826.00 lakhs) approximately are under court/arbitration by suppliers/contractors against various clients where HSCC is co-defendant. However, the Management does not foresee any liability on the Company in these cases.
 - (g) Due to certain lapses in one of the Projects (CRI, Kasauli) regarding Consultancy Services, the Company had earlier (in Oct. 2006) estimated the cost of modification of Rs. 3 Crores and had agreed to meet 2/3rd of the said cost. But later on this decision was not confirmed by the Board of Directors. Further, the Board decided that the Company can accept the joint moral responsibility with the client for reported lapses in the Project. The Ministry of Health & Family Welfare (MOH&FW), Government of India engaged an agency to appraise and quantify the extent of expenditure on building construction works for which the Company provided consultancy services till 2004. As and when the building is offered for taking over by CRI, the Company may have to pay and bear half of such assessed costs, if there is a demand in that behalf from MOH&FW, Government of India. The amount of liability has not yet been ascertained. Accordingly, the same will be charged to Profit & Loss Account in the year in which the liability is determined.

- (h) MOH&FW vide letter no. T-14020/27/2009-VBD, dated 09.05.2013 giving reference to the order passed by the Hon'ble Supreme Court of India in the matter of SLP No 12397/2013 arising out of Judgment & Order dt. 21.12.2012 in FAO No. 623/2012 passed by Hon'ble High Court of Delhi and asked the company to deposit the payment towards the decretal amount in the Hon'ble High Court of Delhi in respect of M/s ISSA Industries case for Bed nets.

The HSCC deposited Rs. 1700 lakhs on 15.05.2013 out of the deposits of MOH&FW held with HSCC from various other projects of MOH&FW as the funds are not available for this project as approved by the Board in its 128th meeting held on 10.05.2013 and in 2nd Extra ordinary General Meeting held on 13.05.2013. This amount is shown under Short Term Loans & Advances as receivable from NAMP (National Anti Malaria Programme) in Note No. 15 and balance Rs. 4.77 lakhs has been deposited from NAMP funds. As decided in EOGM, MOH&FW has been requested to set up an inquiry to ascertain the person(s) / Organization(s) responsible for the lapses in the matter and also apportion the amount of liability ascertained by Arbitration / Courts to the extent of their lapses / omissions / commissions to bring the justice in the matter. Liability in this regard, if any, attracted to HSCC will be dealt accordingly in the year in which it is ascertained. HSCC as of now doesn't foresee any liability in this respect.

- II. During the F.Y. 2015-16 the company has spent Rs. 114.24 lakhs (Previous Year Rs. 40.20 lakhs) on Corporate Social Responsibility. For the year 2015-16, Rs. 74.06 Lakhs being 2% of average profit before tax of last 3 financial years has been spent in full. Besides this Rs. 40.18 lakhs have also been spent (out of Rs. 122.86 lakhs of earlier years outstanding as reserve in CSR Fund A/c). At the year end there is a balance of Rs. 1,06,92,423/- for which the company is exploring avenues to spend the same in subsequent years.
- III. Funds received from the clients are kept in separate Bank accounts (Corpus Accounts) in accordance with the terms and conditions of the agreement. In terms of such agreements Rs. 89700.34 lakhs (Previous Year Rs. 74130.84 lakhs) were received during the year for execution of various civil projects.
- IV. All India Institute of Medical Sciences(AIIMS), New Delhi claimed interest on their deposits with the Company from the date of funds deposited by the client. In agreement with the client, the Company has provided a sum of Rs. Nil (Previous Year i.e 2014-15 Rs. Nil). In the year 2013-14 interest amount of Rs. 352.24 lakhs was credited to the client's account and prior to the year 2013-14, amount of interest was credited to the client's account amounting to Rs. 280.06 lakhs. In the current year neither any request has been made by AIIMS, New Delhi nor any interest on deposits from AIIMS has been credited to the client's account (AIIMS, New Delhi).
- V. As identified from information provided by the company, no amount is outstanding/payable to parties covered under Micro, Small and Medium Enterprises Development Act, 2006 on behalf of clients as at the closing of the reporting period.(Previous Year Rs. Nil)
- VI. The company has sent confirmation letters to the trade receivables but only few replies have been received till date. Balances appearing in most of the parties' accounts under the head Trade Payables, Lease Deposits, EMD and Security Deposit given by HSCC and various balances on behalf of Ministries/Clients are subject to confirmation.
- VII. Unclaimed balances of Trade Payables on account of client works are transferred to respective client account in the year in which the accounts are settled.
- VIII. Credit balances lying in the deposit account of clients (MOH&FW, MEA, State Govts., Govt. Autonomous Bodies, PSUs etc.) for more than 4 years are Rs. 1387.81 lakhs (Previous year Rs. 939.55 lakhs) inclusive of Corpus Account Rs. 865.68lakhs (Previous year Rs. 518.48 lakhs) will be paid in the year in which accounts are settled with them.
- IX. The Company during the year has contributed Rs.26.85 lakhs and Rs 16.20 lakhs (Previous Year Rs. 24.90 lakhs and Rs. 15.20 lakhs) to approved Employees' Medical and Welfare Fund Trusts respectively for the welfare of its employees. However, the exact liability of the company as per actuarial valuation has not been ascertained on the reporting date.
- X. Outstanding Expenses include Performance Related Pay (PRP) for the year 2015-16 Rs 318.14 lakhs. (Previous Year Rs. 53.65 lakhs)

XI. Payment to Auditors*:

(` in Lakhs)

Particulars	2015-16	2014-15
Audit Fee	4.50	4.50
Tax Audit Fee	0.70	0.70
Reimbursement of out of pocket expenses	0.00	1.34
Total	<u>5.20</u>	<u>6.54</u>

* Exclusive of service tax.

XII. In the opinion of the Board of Directors, the Current Assets and Loans & Advances as on 31.03.2016 have a value on realization in the ordinary course of business at least equal to the amount at which these are stated in the Balance Sheet.

XIII. Physical Verification of Fixed Assets of the company for the year 2015-16 has been conducted by a firm of independent Chartered Accountants. Unusable assets found in verification have been dealt with according to significant accounting policy of the company. Amount of Rs. 62149/- has been set aside during the year (Previous year Rs. 103292/-) as "Assets held for Disposal" shown under the head Other Current Assets.

XIV. Information regarding foreign exchange (excluding exchange rate variation):

(` in Lakhs)

Particulars	2015-16	2014-15
Expenditure in Foreign Currency on :		
- Travelling	9.88	5.83
- Value of imports on C.I.F. basis :		
Capital Goods (on behalf of clients)	2740.22	913.17

XV. Disclosure as per Accounting Standard -15 on "Employee Benefits"

Disclosures in terms of 'Employees' Benefit' are as under:

(a) Defined Contribution Plan:

i. Provident Fund

The company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust namely "HSCC Employees' Provident Fund Trust". The contribution to the fund for the year is recognized as expense and is charged to Profit & Loss Account. During the year the Company had recognized Rs. 95.85 Lakhs as employer's contribution towards Provident Fund (Previous Year Rs. 100.08 Lakhs).

ii. Medical Facility

During the year the Company contributed Rs. 26.85 lakhs towards the said Trust (Previous Year Rs. 24.90 lakhs) in the Profit & Loss Account which includes hospitalization of existing & retired employees.

(b) Long Term Plans

i. Gratuity

As per Actuarial Valuation as on 31st March, 2016 and recognized in the financial statements is as under:

S.No	Particulars	31.03.2016	31.03.2015
1	Membership Data		
	Number of Members	163	152
	Average Age(Yrs)	40.17	39.74
	Average Monthly Salary(Rs)	50204.39	47242.22
	Average Past service(Yrs)	9.67	10.13

2	Actuarial Assumptions		
	Mortality Rate	LIC(2006-08) ultimate	LIC(1994-96) ultimate
	Withdrawal Rate	1% -3% depending on age	1% -3% depending on age
	Discount Rate	8% p.a	8% p.a
	Salary Escalation	7% p.a	7% p.a
3	Results of Valuation		
	PV of Past Service Benefit	385.39	359.95
	Current Service Cost	23.60	20.50
	Total Service Gratuity	1101.01	1007.55
	Accrued Gratuity	499.04	465.34
	LCSA	601.97	542.21
	Fund Value	404.81	345.09

During the year the Company has made provision of Rs 6.08 lakhs towards contribution to gratuity as per policy with Life Insurance Corporation of India.

ii. Leave Encashment

The following is the summary of components Compensated Absences (leave encashment):

I. Change in present value of obligation.

(` in Lakhs)

	Particulars	31.03.2016	31.03.2015
(a)	Present value of obligation as at the beginning of the period	550.71	486.37
(b)	Interest cost	42.68	41.34
(c)	Current service cost	71.21	63.01
(d)	Benefits paid	(55.92)	(56.31)
(e)	Actuarial (gain) / loss on obligation	17.78	16.28
(f)	Present value of obligation as at the end of period	626.46	550.71

II Expenses recognized in Profit & Loss Account.

(` in Lakhs)

	Particulars	31.03.2016	31.03.2015
(a)	Current service cost	71.21	63.01
(b)	Interest cost	42.68	41.34
(c)	Net actuarial (gain) / loss recognized in the period	17.78	16.28
(d)	Expenses recognized in the statement of Profit & Loss	131.67	120.63

III. Movement in the liability recognized in Balance Sheet.

(` in Lakhs)

	Particulars	31.03.2016	31.03.2015
(a)	Opening net liability	550.71	486.37
(b)	Expenses as above	131.67	120.63
(c)	Benefits paid	(55.92)	(56.31)
(d)	Closing net liability	626.46	550.71

IV. The principal assumptions used in actuarial valuation are shown below:

	Particulars	31.03.2016	31.03.2015
(a)	Discounting Rate (%)	8	7.75
(b)	Future salary increase (%)	5.50	5.25
(c)	Retirement Age (Years)	60	60

XVI. Segment Reporting

a) Business segments

Based on the guiding principles given in Accounting Standard AS-17 “Segment Reporting” the company’s business segments include construction activity, consultancy, supply of equipment, medicine etc. Hence, all its operations are inter related and fall under single segment within the meaning of Accounting Standard AS-17 “Segment Reporting”.

b) Geographical segments

Since the Company’s activities are primarily within the country and considering the nature of product/services it deals in, operating risks and returns are same and as such there is only one geographical segment.

XVII. Previous year’s figures have been rearranged and regrouped wherever found necessary so as to make them comparable with those of current year.

XVIII. Operating Profit

Operating Profit Rs. 62,24,88,968/- is calculated by considering operating income minus operating expenses of the company as under:-

	Amount (Rs.)
Profit before exceptional and extra ordinary items	87,98,05,609.00
Add:-Interest credited/paid to Govt. Clients	59,44,47,522.00
Less:Other Income(Incl. interest income Rs.8434.50lakhs)	(85,17,64,163.00)
Operating Profit	<u>62,24,88,968.00</u>

XIX. No Provision of Tax demand raised by the assessing officer under section 143(3) of Income Tax Act, 1961 for Assessment year 2013-14 of Rs. 42,87,870/- has been made as the liability is not outstanding for more than six months as on reporting date .

XX. Disclosure as per Accounting Standard - 18 on “Related Party Disclosures”

Details pertaining to Related Party Transactions are as follows:

- (a) List of Related Parties – Nil
- (b) Key Management Personnel

	Name	Nature of Relationship
(i)	Shri Gyanesh Pandey Chairman & Managing Director	Key Management Personnel
(ii)	Shri.S.K.Jain -Director (Engg)	Key Management Personnel
(iii)	Shri R. K. Pathak -DGM(F&A) & Co. Secy	Key Management Personnel

- (c) Related Party Transaction : Nil
- (d) Remuneration to Key Management Personnel

Remuneration to the Chairman & Managing Director, Director (Engineering) and DGM (F&A) & Company Secretary during the year is Rs. 78.90 lakhs (Previous Year Rs. 78.24 Lakhs) as detailed below excluding reimbursement of expenses:-

(` in Lakhs)

Particulars (Paid/ Payable)	2015-16				2014-15			
	CMD	Dir(Engg)	DGM(F&A) Co Secretary	Total	CMD	Dir(Engg)	DGM(F&A) & Co Secy	Total
Salaries & Allowances	23.01	23.88	11.43	58.32	25.72	22.87	10.58	59.17
Contribution to Provident Fund	2.09	2.16	1.10	5.35	1.91	2.04	1.01	4.96
House Rent (Net)	5.46	4.82	2.34	12.62	5.48	2.92	2.35	10.75
Medical, LTC, perquisites and Tax on perquisites	1.15	1.93	0.53	3.61	1.47	1.76	0.13	3.36
Total	31.71	32.79	15.40	79.90	34.58	29.59	14.07	78.24

Further, the above excludes contribution to Gratuity Scheme, Staff Welfare Trust, Group Insurance Scheme and Provision for leave encashment.

XXI. Disclosure as per Accounting Standard -20 on “Earning per Share”

	Calculation of E.P.S.	2015-16	2014-15
A.	Net Profit for the year attributable to	546154750	245404235
B.	Number of Equity Shares outstanding during the year	240018	240018
C.	Basic Earnings per Share	2275.47	1022.44
D.	Diluted Earnings per Share	2275.47	1022.44
E.	Nominal value per Share (`)	100	100

XXII. Pension

As per directives of the Department of Public Enterprises office memorandum No 2(70)/08-DPE(WC)-GL-VIII/09 dated 02.04.2009 to all CPSE's regarding defined contribution scheme for superannuation benefit, no provision towards pension fund have been made in the absence of approval from administrative ministry. The Board approval has been submitted to administrative Ministry for approval vide letter dated 03.10.2013. The same will be provided in the books of accounts based on specific calculation in the year in which the scheme of pension fund is approved by the administrative Ministry.

XXIII. Accounting Policy in respect of revenue recognition - Civil Project

The Company has changed its accounting policy of operating revenue recognition of value of work done for all civil projects. This has been approved by the Board of Directors. The Change in accounting policy has no impact on the Profit or Loss of the company as the amount of expenditure on value of work done (Civil) is taken as contract expense in the Profit and Loss Account of the company. Previous year figures have been regrouped and rearranged so as to make it comparable.

XXIV. Accounting Policy in respect of revenue recognition – Interest on Corpus Funds

The company has changed its accounting for recognition of interest earned on FDRs relating to clients funds (corpus). This has been approved by the Board of Directors. The change in accounting policy has no impact on profit & loss of the company. The company has recognized the total interest earned on Deposit Funds given by the clients as interest income which is shown under the head "Other Income". Due to the reciprocal clause in the agreement with the clients such interest income of Rs. 5944.48 lakhs is credited/paid to the government clients (Previous Years Rs. 6415.18 lakhs). Where the agreements do not specify for reciprocal interest payment, the interest income is accounted for as income of the company which is Rs. 1038.88 lakhs in the current year (Previous Year Rs. 1098.32 lakhs).

XXV. In terms of the Office Memorandum F.No.3 (3)-B(S)/2015 dated 05.01.2016 from the Ministry of Finance Department of Economic Affairs, the Board of Directors of the company has decided to pay an annual dividend of 30% on profit after tax(PAT) to the equity shareholders for the financial year 2015-16 which differs from the payment of dividend @ 20.05% as profit after tax in the previous year. The dividend amount declared in the financial year 2015-16 is Rs. 16,38,46,425/- (Previous Year Rs. 4,92,03,690/-).

XXVI. No liability is provided for in the books of Accounts on account of liquidated damages, if any. Liability arising on pending settlement and reconciliation of Accounts with the client in respect of the projects which have been completed or the projects which are in progress as on 31.03.2016 which will be provided in the year of settlement.

XXVII. The details of disputed dues as of 31st March 2016 in respect of Income Tax as mentioned in Para I(e) amounting to Rs. 1452 Lakhs for Assessment year 2012-13 and Service Tax not deposited by the company are as follows:-

S No	Name of statute	Nature of Dues	Amount involved (Rs.)	Period to which amount relates	Forum where dispute is pending	Amount paid under protest (Rs.)
1	Service Tax Act	Service Tax	529473/- plus equivalent amount of penalty and interest	Oct.2009 -Sept.2010	Commissioner of Central Excise (Appeals)	Rs. 39720/-
2	Service Tax Act	Service tax (Cenvat Credit)	1005498/- Plus interest	April 2010 -Mar. 2012	Commissioner of Central Excise (Appeals)	Rs. 318466/- (Demand Accepted)

Signatures to Schedules 1 to 20

As per our report of even Date

For and on behalf of Board of Directors

For: L C Kailash And Associates
Chartered Accountants
Firm Regn No.001811N

Sd/-
(L.C. Gupta)
Partner
MNo.005122

Place: Noida
Date: 19.09.2016

Sd/-
(S.K.Jain)
Director (Engg.)
DIN-06573103

Sd/-
(Gyanesh Pandey)
Chairman & Managing Director
DIN-03555957

Sd/-
Saurabh Srivastava
CGM (F&A)

Sd/-
(R.K. Pathak)
DGM (F&A) & Co. Secy

VIGILANCE ACTIVITIES

There is no separate Vigilance Unit in the Company. Shri. R.K.Agarwal, DGM (Electrical) is acting as Vigilance Officer (VO) Part Time for a period of three years w.e.f 14.11.14. During the year, Vigilance Cell has functioned as an effective part of management. Annual reports, Quarterly Progress Reports, Private Foreign Visits, Monthly report were submitted to the respective agencies on time. CVC guidelines, received from time to time, were followed and adhered to as precautionary and preventive measure and inquiries are properly and promptly attended to. Existing systems and procedures were reviewed for further improvements and all our efforts were made to ensure transparency in the working of the Company. To maintain high moral standard of employees the Company observed Vigilance Awareness Week from 31st October, 2016 to 05th November, 2016. This started with pledge taking ceremony by the employees.



Shri.R.K. Agrawal, Vigilance Officer. HSCC administered the pledge to HSCC's employees in the presence of Sh. S.K.Jain, Director (Engg.) and other senior officials .

INDEPENDENCE DAY CELEBRATION-2016

70th Independence Day is being celebrated at HSCC with full enthusiasm. Sh. Gyanesh Pandey, CMD, HSCC has hoisted the national flag and addressed the gathering. During his speech he encouraged all the employees to put in whole hearted effort to take the company to new height of success. He along with all the employees planted trees to mark the occasion.



SENIOR OFFICIALS & HEAD OF DIVISIONS



Shri S. A. Usmani
CGM



Shri V. V. Govinda Rao
CGM



Shri S. C. Garg
CGM



Shri Saurabh Srivastava
CGM



Shri Karam Veer Khanna
IT Deptt.



Shri Pramod Kumar
Procurement



Shri P. K. Bhatia
Rishikesh



Shri Rajiv
NRHM-Chhatisgarh



Shri S. Samanta
North East



Shri G. S. Chani
Arch. Deptt.



Shri Ravindra Kr. Pathak
F&A, CS



Smt. Monisha Tankha
D&E



Shri R. K. Agarwal
Electrical



Shri Debashish Bandyopadhyay
Procurement



Shri Shivanna
Shillong



Shri Tapas Nath
Procurement



Shri Vikas Thapar
Naharlagun



Shri A. K. Nema
IT



Shri S. S. Popli
PMSSY



Shri Narender Kumar
Business Development



Shri Ravi Ranjan
NRHM, UP



Shri Vinod Kumar
Civil Structure



Shri Binod Kumar
Projects



Shri Atul Dhanda
Projects



Shri Sanjiv Kr. Khare
Kolkata



Shri Manoj Sharma
Projects

HSCC OFFICES

Registered Office:

205 (2nd Floor), East End Plaza,
Plot No.4, DDA LSC – Centre – II,
Vasundhara Enclave, Delhi – 110096.

Corporate Office :

E-6(A), Sector-1,
NOIDA - 201301 (U.P.)

Project-Cum-Site Offices :

ASSAM

Lokpriya Gopinath Bordoloi
Regional Institute of Mental Health
1st Floor, Ex-Police Line,
Near Kali Mandir, P.O: Tezpur,
Dist: Sonitpur (Assam)
PIN - 784001

CHHATTISGARH

House No. B-19/7, Near Pani Ki Tanki
New Rajendar Nagar,
Raipur - 492001

Major Site Offices :

1. All India Institute of Medical Sciences (AIIMS), New Delhi
2. NCI, Jhajjar AIIMS, New Delhi
3. All India Institute of Ayurveda, Sarita Vihar, New Delhi
4. Redevelopment of Safdarjung Hospital, New Delhi
5. Kalpana Chawla Medical College, Karnal
6. AIIMS – Raebareli
7. National Institute of Animal Bio-technology- Hyderabad
8. Ayush – Shillong
9. Lokpriya Gopinath Bordoloi Regional Institute of Mental Health, Tezpur, Assam
10. Regional Institute of Medical Sciences (RIMS), Imphal
11. RIPANS-Aizwal
12. District General Hospital at Dickoya, Sri Lanka
13. IIT, Kharagpur, West Bengal
14. PGI, Satellite Centre at Sangrur, Punjab
15. NRHM Sites at Kerala
16. NRHM Sites at Chhattisgarh
17. NRHM Sites at Uttar Pradesh
18. All India Institute of Medical Science (AIIMS), Guntur
19. All India Institute of Medical Science (AIIMS), Kalyani
20. All India Institute of Medical Science (AIIMS), Nagpur

Up-gradation of Medical Colleges/Institutions under PMSSY (Phase III)

21. Sidhartha Medical College, Vijayawada, Andhra Pradesh
22. Guwahati Medical College, Guwahati, Assam
23. Assam Medical College, Dibrugarh, Assam
24. Goa Medical College, Panaji, Goa
25. Indira Gandhi Medical College, Shimla, Himachal Pradesh
26. Govt. Medical College Rewa, Madhya Pradesh
27. Netaji Subhash Chandra Bose Medical College, Jabalpur, Madhya Pradesh
28. GR Medical College, Gwalior, Madhya Pradesh
29. Govt. Medical College, Aurangabad, Maharashtra
30. Govt. Medical College, Latur, Maharashtra
31. MKCG Medical College, Berhampur, Odisha
32. VSS Medical College, Burla, Odisha
33. Govt. Medical College, Patiala, Punjab
34. SP Medical College, Bikaner, Rajasthan
35. RNT Medical College, Udaipur, Rajasthan
36. Govt. Medical College, Kota, Rajasthan
37. Govt. Medical College, Jhansi, Uttar Pradesh
38. MLN Medical College, Allahabad, Uttar Pradesh
39. North Bengal Medical College, Darjeeling, West Bengal
40. Medical College, Pali, Rajasthan
41. Medical College, Nahan, Himachal Pradesh
42. Medical College, Chamba, Himachal Pradesh
43. Medical College, Hamirpur, Himachal Pradesh
44. Medical College, Itanagar, Arunachal Pradesh
45. Medical College, NEIGRIHMS, Shillong
46. Cancer Hospital, NEIGRIHMS, Shillong
47. Nursing College, NEIGRIHMS, Shillong
48. Medical College, Falkawn, Aizwal

STATUTORY AUDITORS

M/s L. C. Kailash and Associates

Chartered Accountants
122-124, Model Basti
New Delhi-110005

INTERNAL AUDITORS

M/s Prem Gupta & Co.

Chartered Accountants
4, Shiva Ji Marg
New Delhi-110015

SECRETARIAL AUDITORS

M/s Parveen Rastogi & Co.

Company Secretaries
Flat No.-3, Sood Building,
Teil Mill Marg,
Ram Nagar, Paharganj,
Delhi - 110055

BANKERS

Indian Overseas Bank
Canara Bank
Punjab National Bank
State Bank of Patiala
Bank of Baroda
State Bank of India
Syndicate Bank
UCO Bank
Corporation Bank
HDFC Bank Ltd.
Oriental Bank
Axis Bank
Union Bank of India



SERVICE SPECTRUM

HSCC (India) Ltd.

(A Govt. of India Enterprise)
 (A Mini Ratna Category-I Company)

Corporate Office :

E-6(A), Sector-1, Noida - 201 301 (U.P.)

Tel. : 0120-2542436, 37, 38, 39, 40,

Fax : 0120-2542447, 2533001

CIN No. U74140DL1983GOI015459

Website : www.hsccltd.co.in